



U.S.A.

WEEKLY PERFORMANCE SUMMARY

APRIL 25, 1994

Marketing Information & Analysis

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WEEKLY UPDATE IMPLICATIONS APRIL 25, 1994

Shipments

- American Tobacco's proposed sale to Brown & Williamson, pending government review, would position the combined company as the #2 Discount player with a solid #3 position overall.
- Industry volume (10.0 billion units) declined vs. last week with RJR down -300 million units.
 - For the Second Quarter, volume above forecast remains almost entirely PM-USA, with competitors' performance about even with Original Budget.
- PM-USA weekly shipments (4.8 billion) remained strong for the third straight week.
 - Volume expanded to +5.6 billion units above QTD projection.
 - Weekly volume will remain above the 4 billion unit going rate for the next two weeks, reflecting higher than normal McLane purchases (w/e 4/29) and Marlboro 5 for 4's (w/e 5/6).
- Michigan's 50¢ S.E.T. increase (May 1) is expected to result in payback from above normal shipments early in the year.

Retail

- PM & Marlboro shares are at record levels and growing.
- Recent PL gains have not expanded the Discount category.

Pricing

- The pricing environment is stable, with price gaps at 44% in C-stores and 40% in supermarkets.
- < 99¢ pricing remained in the 15-16% range for the sixth week.
- RJR appears most aggressive on pricing when it can sustain a unilateral advantage via private label.
 - An active discount category featuring several brands at the lowest price point exerts more pressure on Marlboro than a larger price gap driven by a single private label brand at the low end.

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SHIPMENTS

PM-USA
SECOND QUARTER PERFORMANCE
W/E 4/22/94

- All shipment performance benchmarks remained favorable.
- PM-USA's weekly shipments of 4.8 billion units was above last week (+3.5%) and projection (+55%). Adjusted for McLane's excess and Marlboro 5 for 4's, PM's adjusted volume approximates our going rate (4.1 billion units).
- PM-USA is 5.6 billion units above second quarter-to-date projection.
 - Absence of 1Q94 trade program resulted in no payback (+3.5 billion).
 - Above average shipments to McLane and CoreMark (+1.7 billion).
 - Stronger going rate (+0.2 billion).
 - Marlboro Country Store 5 for 4 shipments (+0.2 billion).
- Industry volume for the week decreased -2.2% to 10.0 billion units. RJ Reynolds (-11%) and Liggett (-16%) experienced the largest declines.
- PM-USA's industry share increased +2.7 share points to 48.6% reflecting excess direct account purchases and Marlboro 5 for 4 promotional shipments for the week.
- On a 13wm basis, PM-USA's share of 44.5% remained above 2nd quarter target.

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BENCHMARKS - TOTAL US
SHIPMENTS 13 WEEK MOVING

	<u>Benchmarks</u>	<u>13 Weeks Ending 22-Apr</u>	<u>Current vs. Benchmark</u>
Philip Morris	42.0	44.4	2.4 Favorable
Marlboro	24.9	27.1	2.2 Favorable
OPB	7.8	8.3	0.5 Favorable
Virginia Slims	2.2	2.4	0.2 Favorable
Benson & Hedges	2.5	2.6	0.1 Favorable
Merit	2.3	2.4	0.1 Favorable
Parliament	0.6	0.6	0.0 Favorable
Basic-Share of Discount	14.2	14.5	0.3 Favorable
Private Label-Share of Market	8.5	6.7*	1.5 Favorable
C-Store Pack Price Lowest Discount**	\$1.34	\$1.33	(\$0.01) Unfavorable

*Reflects most current data for three months ending March 1994.

**Reflects a change in pricing data source from Market Decisions to Nielsen.

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Ship (13wm) trigger hh

SHIPMENTS
(To All Direct Accounts)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>
13 wk Base Jan. 21, 1994	44.39	27.45	11.61	7.07	7.48	2.55
April 22, 1994 (13wm)	<u>44.45</u>	<u>27.96</u>	<u>11.16</u>	<u>7.15</u>	<u>7.44</u>	<u>2.39</u>
	0.06	0.51	(0.45)	0.08	(0.04)	(0.16)
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>				
13 wk Base Jan. 21, 1994	66.32	33.68				
April 22, 1994 (13wm)	<u>66.82</u>	<u>33.18</u>				
	0.50	(0.50)				
<u>PM MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>V. Slims</u>	<u>B & H</u>	<u>Merit</u>	<u>Parliament</u>
13 wk Base Jan. 21, 1994	26.59	8.25	2.38	2.53	2.46	0.66
April 22, 1994 (13wm)	<u>27.09</u>	<u>8.33</u>	<u>2.43</u>	<u>2.64</u>	<u>2.40</u>	<u>0.65</u>
	0.50	0.08	0.05	0.11	(0.06)	(0.01)
<u>PM BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Bristol</u>	<u>Alpine</u>		
13 wk Base Jan. 21, 1994	5.03	1.78	0.21	0.38		
April 22, 1994 (13wm)	<u>4.80</u>	<u>1.80</u>	<u>0.20</u>	<u>0.36</u>		
	(0.23)	0.02	(0.01)	(0.02)		
<u>PM PRIVATE LABEL</u>	<u>PM</u>					
13 wk Base Jan. 21, 1994	2.06					
April 22, 1994 (13wm)	<u>1.80</u>					
	(0.26)					

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PRELIMINARY WEEKLY VOLUME AND SHARE
W/E 4/22/94

INDUSTRY	<u>WEEK</u>						<u>VOLUME</u>	
	<u>VOLUME</u>	<u>DIFF</u>	<u>% CHANGE</u>	<u>SHARE</u>	<u>DIFF</u>	<u>FCST</u>	<u>DIFF VS</u>	<u>% CHANGE</u>
		<u>VS 1993</u>	<u>VS 1993</u>		<u>VS 1993</u>		<u>FCST</u>	<u>VS FCST</u>
INDUSTRY	9,970	3,730	59.8%			8,516	1,454	17.1%
PHILIP MORRIS	4,840	2,554	111.7%	48.55	11.91	3,132	1,709	54.6%
R.J. REYNOLDS	2,515	575	29.6%	25.23	-5.87	2,803	-288	-10.3%
B&W	1,036	217	26.5%	10.39	-2.73	1,082	-46	-4.3%
LORILLARD	701	59	9.1%	7.03	-3.26	690	11	1.5%
AMERICAN	683	278	68.9%	6.85	0.37	618	65	10.5%
UGGETT	193	46	31.6%	1.94	-0.42	191	2	1.2%

INDUSTRY	<u>DISCOUNT</u>			<u>PREMIUM</u>		
	<u>VOLUME</u>	<u>SHARE</u>	<u>%CONT.</u>	<u>VOLUME</u>	<u>SHARE</u>	<u>%CONT.</u>
INDUSTRY	3,087	30.96		6,883	69.04	
PHILIP MORRIS	872	28.25	18.0%	3,968	57.68	82.0%
R.J. REYNOLDS	1,030	33.35	40.9%	1,485	21.58	59.1%
B&W	623	20.18	60.1%	413	6.00	39.9%
LORILLARD	30	0.96	4.2%	671	9.75	95.8%
AMERICAN	388	12.56	56.8%	295	4.29	43.2%
UGGETT	145	4.69	74.9%	48	0.70	25.1%

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**PRELIMINARY VOLUME AND SHARE
W/E 4/22/94**

TOTAL INDUSTRY YEAR TO DATE

INDUSTRY	VOLUME	DIFF	%CHANGE	SHARE	DIFF	FCST	VOLUME	%CHANGE
		VS 1993	VS 1993		VS 1993		DIFF VS FCST	VS FCST
INDUSTRY	146,550	20,051	15.9%			137,004	9,546	7.0%
PHILIP MORRIS	64,384	12,713	24.6%	43.93	3.09	56,441	7,943	14.1%
R.J. REYNOLDS	41,076	-612	-1.5%	28.03	-4.93	41,687	-611	-1.5%
B&W	16,428	4,191	34.3%	11.21	1.54	16,214	214	1.3%
LORILLARD	10,816	1,927	21.7%	7.38	0.35	10,511	305	2.9%
AMERICAN	10,451	1,589	17.9%	7.13	0.13	9,257	1,194	12.9%
UGGETT	3,366	238	7.6%	2.30	-0.18	2,894	472	16.3%

DISCOUNT YEAR TO DATE

INDUSTRY	VOLUME	DIFF	%CHANGE	SHARE	DIFF
		VS 1993	VS 1993		VS 1993
INDUSTRY	48,815	-2,569	-5.0%	33.31	-7.31
PHILIP MORRIS	13,171	-2,507	-16.0%	26.98	-3.53
R.J. REYNOLDS	17,073	-3,152	-15.6%	34.97	-4.38
B&W	9,800	1,444	17.3%	20.08	3.81
LORILLARD	462	-31	-6.3%	0.95	-0.01
AMERICAN	5,732	1,233	27.4%	11.74	2.99
UGGETT	2,575	442	20.7%	5.28	1.12

PREMIUM YEAR TO DATE

INDUSTRY	VOLUME	DIFF	%CHANGE	SHARE	DIFF
		VS 1993	VS 1993		VS 1993
INDUSTRY	97,735	22,620	30.1%	66.69	7.31
PHILIP MORRIS	51,213	15,219	42.3%	52.40	4.48
R.J. REYNOLDS	24,004	2,540	11.8%	24.66	-4.01
B&W	6,628	2,747	70.8%	6.78	1.61
LORILLARD	10,354	1,958	23.3%	10.59	-0.58
AMERICAN	4,719	356	8.2%	4.83	-0.98
UGGETT	790	-204	-20.5%	0.81	-0.51

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13WM AVERAGE BY COMPETITOR W/E 4/22/94

INDUSTRY	VOLUME	DIFF	% CHANGE	SHARE	DIFF
		VS PRIOR	VS PRIOR		VS PRIOR
		13 WKS	13 WKS		13 WKS
INDUSTRY	9,462	288	3.1%		
PHILIP MORRIS	4,206	134	3.3%	44.45	0.06
R.J. REYNOLDS	2,623	126	5.0%	27.72	0.51
B&W	1,042	-10	-0.9%	11.01	-0.45
LORILLARD	699	18	2.7%	7.38	-0.04
AMERICAN	665	28	4.3%	7.03	0.08
LIGGETT	226	-8	-3.4%	2.39	-0.16

DISCOUNT

INDUSTRY	VOLUME	DIFF	% CHANGE	SHARE	DIFF
		VS PRIOR	VS PRIOR		VS PRIOR
		13 WKS	13 WKS	OF CAT.	13 WKS
INDUSTRY	3,139	49	1.6%	33.18	-0.50
PHILIP MORRIS	854	-21	-2.5%	27.22	-1.13
R.J. REYNOLDS	1,094	64	6.2%	34.85	1.51
B&W	621	-14	-2.2%	19.78	-0.77
LORILLARD	30	4	14.2%	0.94	0.10
AMERICAN	365	24	7.0%	11.63	0.58
LIGGETT	174	-6	-3.5%	5.56	-0.29

PREMIUM

INDUSTRY	VOLUME	DIFF	% CHANGE	SHARE	DIFF
		VS PRIOR	VS PRIOR		VS PRIOR
		13 WKS	13 WKS	OF CAT.	13 WKS
INDUSTRY	6,323	239	3.9%	66.82	0.50
PHILIP MORRIS	3,351	155	4.8%	53.00	0.47
R.J. REYNOLDS	1,529	62	4.3%	24.18	0.08
B&W	421	5	1.1%	6.65	-0.19
LORILLARD	669	15	2.3%	10.58	-0.17
AMERICAN	300	4	1.3%	4.75	-0.12
LIGGETT	52	-2	-3.3%	0.82	-0.06

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	1994	13WM		BENCHMARK
	BENCHMARK	ACTUAL	DIFF.	GUIDELINE
PM-USA:	42.00	44.45	2.45	FAVORABLE
MARLBORO SHARE OF INDUSTRY	24.90	27.09	2.19	FAVORABLE
BASIC SHARE OF DISCOUNT	14.20	14.47	0.27	FAVORABLE

INDUSTRY VOLUME DECLINED SLIGHTLY VERSUS LAST WEEK. PM'S VOLUME INCREASED, WHILE RJR HAD THE LARGEST VOLUME DECLINE.

**WEEKLY VOLUME
4/22 VS 4/15**

	<u>4/22/94</u>	<u>4/15/94</u>	<u>4/8/94</u>	<u>DIFF VS. PREV. WEEK</u>	<u>% CHANGE</u>
INDUSTRY	9,970	10,191	10,171	(221)	-2.2%
PM	4,840	4,670	4,538	170	3.6%
RJ REYNOLDS	2,515	2,828	2,844	(313)	-11.1%
B & W	1,036	1,070	1,193	(34)	-3.2%
LORILLARD	701	707	687	(6)	-0.8%
AMERICAN	683	684	723	(1)	-0.1%
LIGGETT	193	230	184	(37)	-16.1%

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MFR CHANGES 4/22 VS 4/15

Philip Morris USA

PM-USA Volume **Week Ending 4/22/94**

PM-USA Volume	4,840
McLane Excess	<u>567</u>
	4,273
 Marlboro 5 for 4	 <u>166</u>
(excl. McLane)	4,107

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Philip Morris USA

PM SHIPMENTS TO MCLANE EXCEEDED NORM FOR THE THIRD CONSECUTIVE WEEK.
MCLANE'S SALES TO RETAIL HAVE BEEN AVERAGING 535 MILLION PER WEEK.

TOTAL PM VOLUME MCLANE

(millions of cigarettes)

<u>Week ending</u>	PM shipped to <u>McLane</u>	McLane shipped to <u>Retailers</u>	<u>Difference</u>	<u>Cume</u> <u>From 1/7/94</u>
1/21	135.4	426.8	-291.4	
1/28	378.6	415.1	-36.5	
2/4	1,945.0	431.9	1,513.1	
2/11	773.1	443.2	329.9	
2/18	540.1	445.8	94.3	
2/25	522.9	461.5	61.4	
3/4	209.5	475.5	-266.0	
3/11	108.6	482.5	-373.9	
3/18	391.8	533.6	-141.8	
3/25	241.2	516.3	-275.1	
4/1	155.3	558.9	-403.6	
4/8	962.8	533.0	429.8	
4/15	1,090.6	529.6	561.0	997.9
4/22	1,099.6	N/A	N/A	

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All volumes exclude ten Sam's Clubs in Michigan purchasing directly from PM.

PM-USA WEEKLY PERFORMANCE

													2Q	
													2Q OB	UPDATED
													WEEKLY	WEEKLY
	<u>2/4</u>	<u>2/11</u>	<u>2/18</u>	<u>2/25</u>	<u>3/4</u>	<u>3/11</u>	<u>3/18</u>	<u>3/25</u>	<u>4/1</u>	<u>4/8</u>	<u>4/15</u>	<u>4/22</u>	TARGET	TARGET
MARLBORO	3,470	2,597	2,498	2,332	2,289	2,236	2,427	2,196	2,102	2,787	2,917	3,113	2,359	2,517
B&H	347	271	310	243	239	237	226	197	179	264	259	265	226	239
MERIT	323	230	234	205	201	198	212	192	181	247	253	254	215	219
V.SLIMS	321	236	232	214	213	203	216	191	183	251	256	252	211	220
PARLIAMENT	74	61	66	54	63	62	58	56	52	63	64	66	63	60
OTHER PREMIUM	25	20	20	19	19	18	19	16	16	21	19	19	20	19
CANADIAN	3	1	1	0	0	0	0	0	0	0	0	0	3	0
TOTAL PREMIUM	4,562	3,416	3,361	3,067	3,024	2,954	3,158	2,848	2,713	3,634	3,769	3,968	3,097	3,274
CAMBRIDGE	174	169	159	188	179	219	170	153	133	175	173	176	170	162
ALPINE	34	36	33	32	33	38	34	29	29	37	37	37	40	35
BUCKS	3	4	3	3	3	3	3	3	3	3	4	3	3	3
FVB	190	171	175	164	161	152	174	155	155	193	191	183	175	167
BASIC	501	461	450	414	416	413	423	541	435	472	471	448	475	447
BRISTOL	21	21	20	20	20	19	22	16	15	19	22	20	20	15
PLAYERS 25	4	4	4	4	4	4	3	4	4	4	4	4	3	3
TOTAL DISCOUNT	927	866	844	825	816	847	829	900	774	904	901	872	886	832
TOTAL PM-USA	5,489	4,282	4,205	3,892	3,840	3,801	3,988	3,749	3,487	4,538	4,670	4,840	3,983	4,106

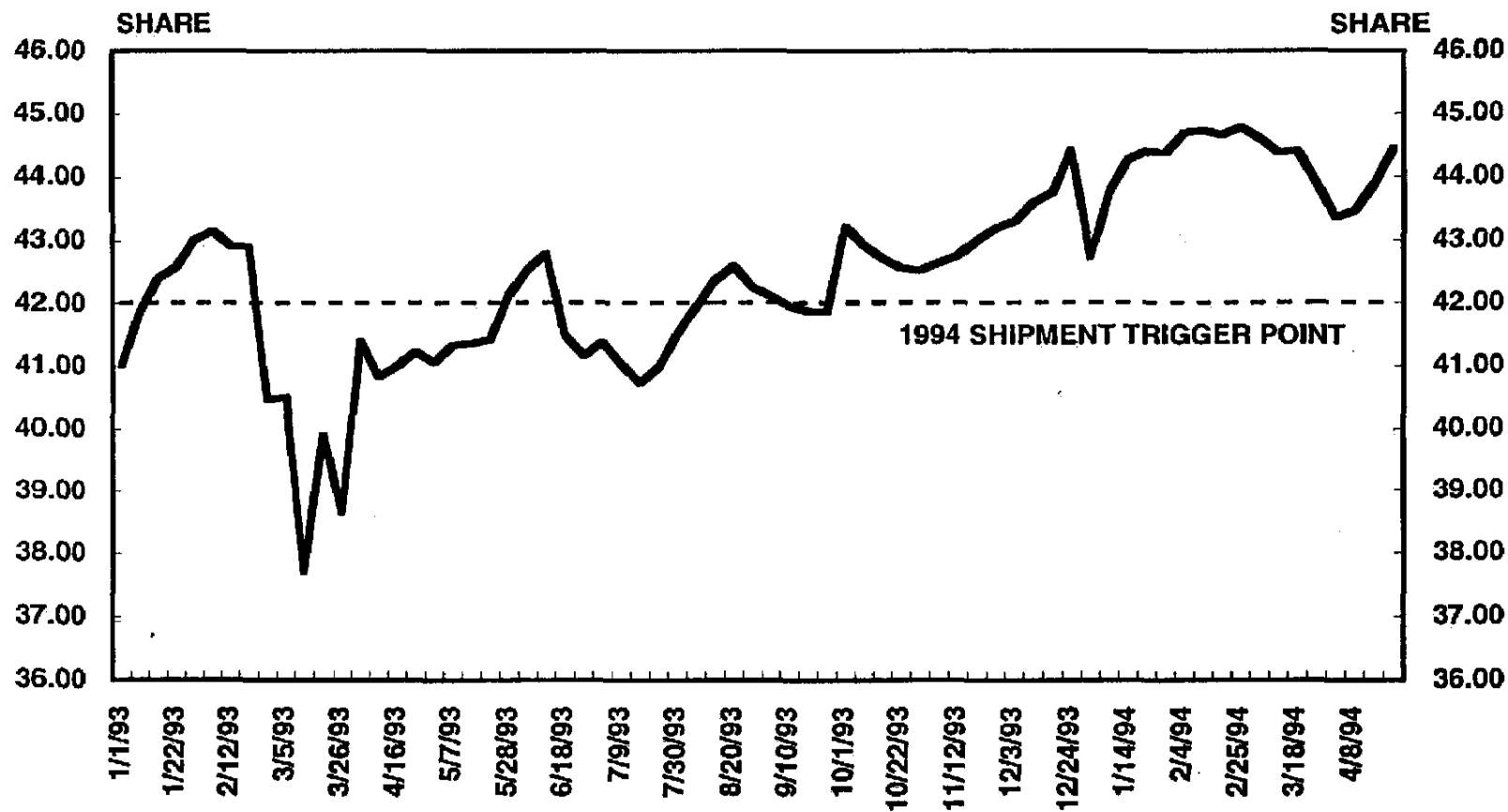
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PM-USA WEEKLY PERFORMANCE

													2Q	2Q
													2Q OB	UPDATED
													WEEKLY	WEEKLY
													TARGET	TARGET
	2/4	2/11	2/18	2/25	3/4	3/11	3/18	3/25	4/1	4/8	4/15	4/22		
MARLBORO	30.88	27.27	26.08	26.07	24.77	24.31	26.52	25.93	25.59	27.40	28.62	31.22	25.19	26.84
B&H	3.09	2.84	3.24	2.72	2.58	2.58	2.46	2.32	2.18	2.60	2.54	2.65	2.42	2.56
MERIT	2.87	2.41	2.44	2.29	2.17	2.15	2.31	2.27	2.21	2.43	2.48	2.54	2.30	2.34
V.SLIMS	2.86	2.48	2.42	2.40	2.30	2.21	2.36	2.26	2.22	2.47	2.51	2.53	2.25	2.35
PARLIAMENT	0.65	0.64	0.69	0.60	0.68	0.67	0.64	0.66	0.64	0.62	0.63	0.66	0.67	0.64
OTHER PREMIUM	0.23	0.21	0.21	0.21	0.20	0.20	0.21	0.20	0.20	0.21	0.21	0.20	0.21	0.20
CANADIAN	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00
TOTAL PREMIUM	40.60	35.86	35.09	34.29	32.70	32.12	34.50	33.64	33.04	35.73	36.99	39.80	33.07	34.93
CAMBRIDGE	1.54	1.76	1.65	2.09	1.93	2.37	1.84	1.80	1.61	1.71	1.69	1.77	1.82	1.73
ALPINE	0.30	0.38	0.35	0.35	0.36	0.41	0.37	0.34	0.36	0.37	0.37	0.37	0.43	0.37
BUCKS	0.03	0.04	0.04	0.04	0.03	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03
FVB	1.70	1.80	1.83	1.84	1.75	1.66	1.91	1.83	1.89	1.89	1.87	1.83	1.87	1.78
BASIC	4.47	4.85	4.69	4.63	4.51	4.49	4.62	6.39	5.30	4.64	4.62	4.51	5.07	4.77
BRISTOL	0.18	0.23	0.20	0.22	0.21	0.20	0.24	0.19	0.18	0.19	0.21	0.20	0.21	0.16
PLAYERS 25	0.04	0.04	0.04	0.04	0.05	0.04	0.04	0.05	0.06	0.05	0.05	0.04	0.03	0.03
TOTAL DISCOUNT	8.26	9.10	8.80	9.21	8.84	9.20	9.06	10.63	9.43	8.88	8.84	8.75	9.46	8.87
TOTAL PM-USA	48.86	44.96	43.89	43.50	41.54	41.32	43.56	44.27	42.47	44.61	45.83	48.55	42.53	43.80

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PM SHARE OF MARKET 13 WEEK MOVING AVERAGE

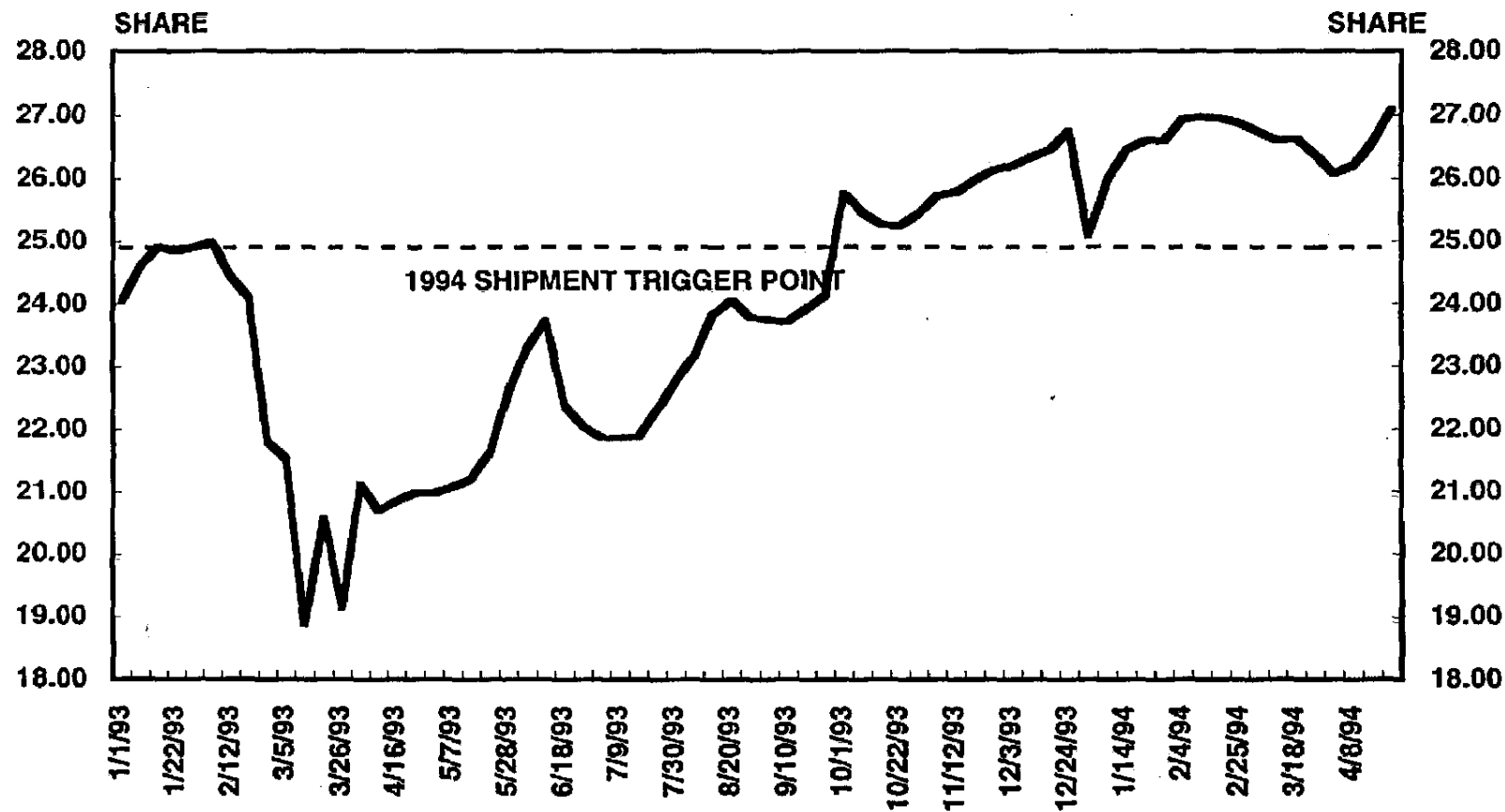


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SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 1

MARLBORO SHARE OF MARKET 13 WEEK MOVING AVERAGE

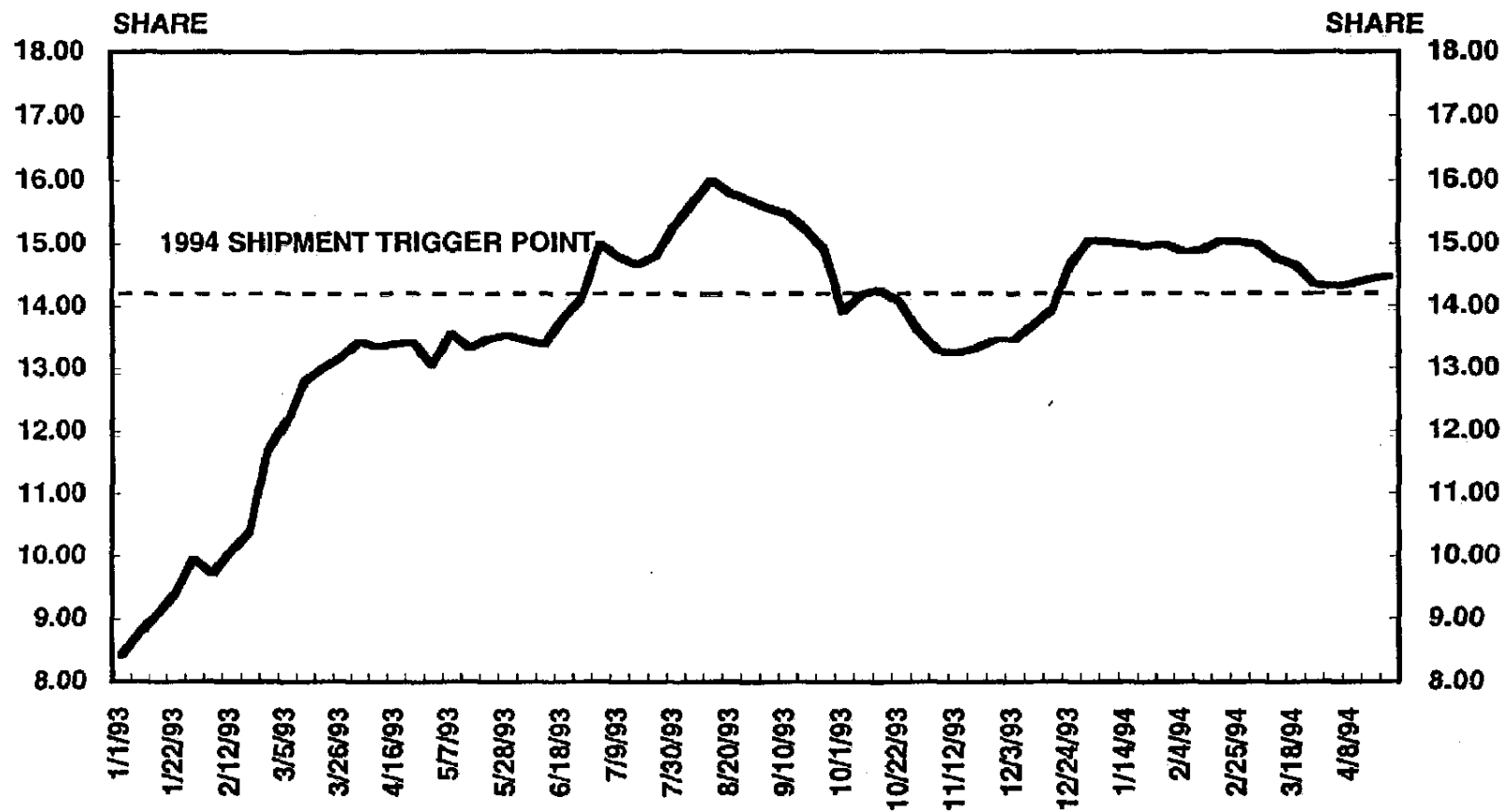


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SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 2

BASIC SHARE OF DISCOUNT 13 WEEK MOVING AVERAGE

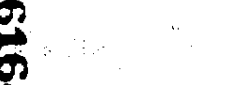
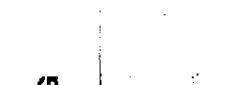
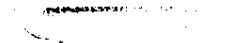
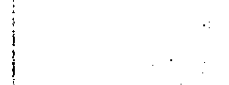


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SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 4

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PRICING

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PRICING**4/16**

- RJR appears most aggressive on pricing where it can sustain a unilateral advantage. Two distinct C-Store pricing environments are under review:
 - 56% of stores have a single brand anchoring the lowest price point. These stores tend to have lower absolute prices, higher price gaps and disproportionate RJR representation.
 - 44% of stores possess multiple brands sharing the lowest price point. These stores are evenly represented by manufacturer and have had more of a negative share impact on Marlboro despite lower price gaps.
- Lowest Discount's pack price remained at \$1.33 for the third consecutive week while Marlboro's price remained at \$1.91 for the seventh consecutive week. The resulting price gap remained at 58¢ or 43.6%.
- In Supermarkets, Marlboro's carton price remained at \$16.33 while the Lowest Discount's price increased +7¢. The resulting price gap decreased -7¢ to \$4.67 or 40.1%.
- ≤99¢ incidence has been stable at 15-16% of stores for 6 consecutive weeks.
- Basic's price gap with the Lowest Discount brand increased +1 point to 69% of stores, +14 points YTD.

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Marlboro's price gap with the Lowest Discount brand increased in as many stores as it decreased in.

	% of C-stores		
	<u>Unchanged</u>	<u>Increased</u>	<u>Decreased</u>
Marlboro	95%	3%	2%
Basic	94%	5%	1%
Doral	84%	11%	5%
GPC	86%	6%	8%
RJR P/L	82%	13%	5%
Lowest Discount	82%	10%	8%
Marlboro Gap *	80%	10%	10%
Basic Gap **	82%	11%	7%

* Marlboro vs. Lowest Discount brand in same store.

** Basic vs. Lowest Discount brand in same store.

SOURCE: NIELSEN PRICING AUDIT

991959E20Z

**In C-stores, pack pricing remained stable while In Supermarkets,
premium prices remained stable while Lowest Discount increased.**

C-STORE PACKS

	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<u>4/16</u>	<u>Change Prior Week</u>
Marlboro (net)	\$1.91	\$1.91	\$1.91	\$1.91	\$0.00
Lowest Discount	1.32	1.33	1.33	1.33	\$0.00
\$ Gap	0.59	0.58	0.58	0.58	\$0.00
% Gap	44.7%	43.6%	43.6%	43.6%	0.0%

SUPERMARKET CARTONS

Marlboro (net)	\$16.40	\$16.35	\$16.33	\$16.33	\$0.00
Lowest Discount	11.70	11.66	11.59	11.66	\$0.07
\$ Gap	4.70	4.69	4.74	4.67	(\$0.07)
% Gap	40.2%	40.2%	40.9%	40.1%	0.0%

SOURCE: NIELSEN PRICING AUDIT

2023656167

Marlboro's net pack price gap with Lowest Discount decreased in regions 1 and 2.

	<u>4/16</u>				Change
	<u>Marlboro</u>	<u>Lowest Discount</u>	<u>\$ GAP</u>	<u>% GAP</u>	<u>From 4/9</u>
NATIONAL	1.91	1.33	\$0.58	43.6%	\$0.00
R1	2.09	1.54	\$0.55	35.7%	(\$0.01)
R2	1.78	1.23	\$0.55	44.7%	(\$0.01)
R3	1.90	1.31	\$0.59	45.0%	\$0.01
R4	1.80	1.26	\$0.54	42.9%	\$0.00
R5	2.06	1.37	\$0.69	50.4%	\$0.00

SOURCE: NIELSEN PRICING AUDIT

2023656168

99¢ incidence remained between 15-16% for the sixth straight week.

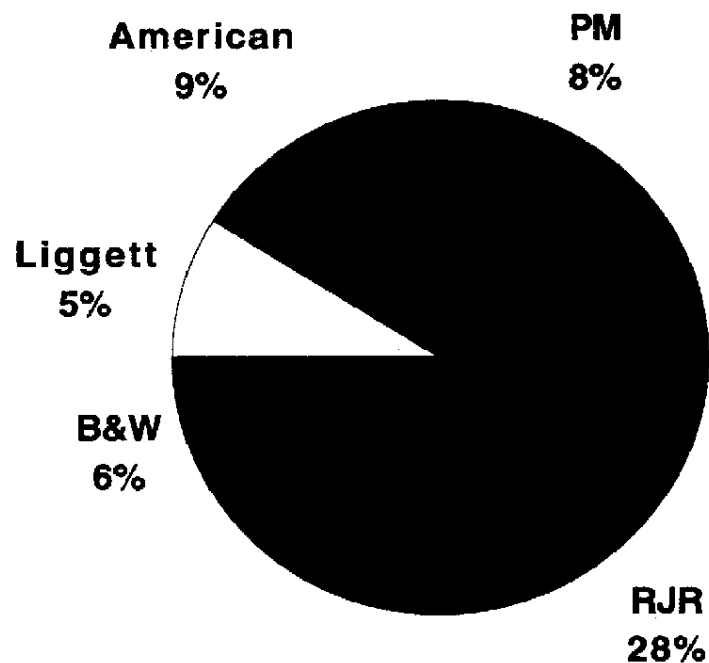
		Change vs. <u>1 WAGO</u>	Change vs. <u>4 WAGO</u>	Weighted Avg. <u>State Tax</u>
NATIONAL	<u>4/16</u> 14.8%	-1.0	-1.4	\$0.29
R1	1.4%	-1.4	1.4	\$0.43
R2	21.3%	-3.5	-5.8	\$0.18
R3	18.4%	2.8	2.8	\$0.31
R4	21.6%	-1.9	-0.2	\$0.26
R5	6.3%	-1.3	-4.5	\$0.33

SOURCE: NIELSEN PRICING AUDIT

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RJR has more than its fair share of stores with one brand at the lowest price point. RJR appears most aggressive on pricing where it can sustain a unilateral advantage.

(56% of Stores)

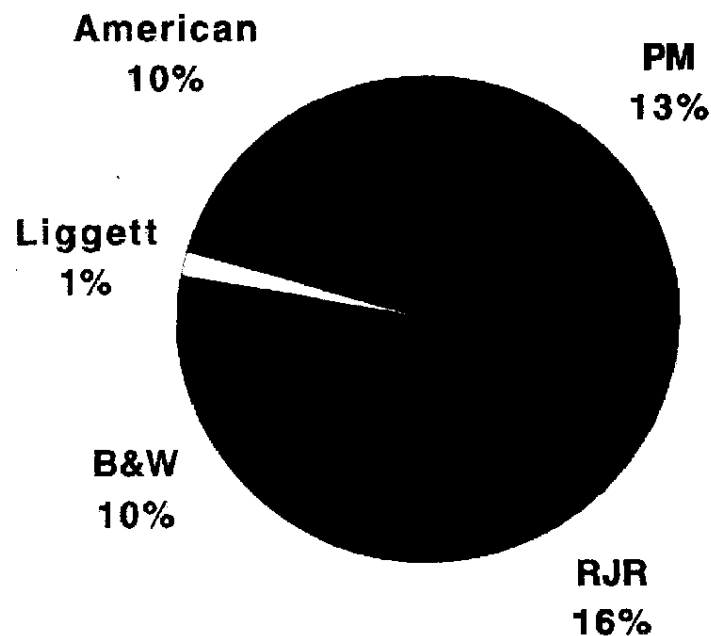


2023656170

Source: Nielsen Pricing Audit

Manufacturers are fairly evenly represented in stores with multiple brands at the lowest price point.

(44% of Stores)



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NOTE: PERCENTAGES SUM TO 44% AS STORES HAVE MULTIPLE MANUFACTURERS AT LOWEST PRICE POINT.

Source: Nielsen Pricing Audit

Across all common C-stores, Basic's NET average pack price gap increased with GPC and the Lowest Discount brand.

	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<u>4/16</u>	<u>Change vs. Prior Week</u>
Basic	\$1.54	\$1.53	\$1.53	\$1.53	\$0.00
Same Store Gaps					
GPC	0.12	0.13	0.12	0.13	0.01
Monarch	0.06	0.06	0.06	0.06	0.00
Lowest Discount	0.22	0.21	0.21	0.22	0.01

SOURCE: NIELSEN PRICING AUDIT

2023656172

The number of stores where Basic's pack price > Lowest Discount by more than 10¢ increased to end of March's level.

Basic vs. Lowest Discount in C-stores				
	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<u>4/16</u>
# SAME STORES	322	330	328	329
<u>BASIC > LOWEST DISC. BY 10¢*</u>				
# STORES	221	222	222	226
% STORES	69%	67%	68%	69%
<u>PRICE DISADVANTAGE *</u>				
AVG. \$	\$0.30	\$0.30	\$0.30	\$0.30
MAXIMUM	\$0.82	\$0.86	\$0.86	\$0.86
MINIMUM	\$0.11	\$0.12	\$0.12	\$0.12

* All comparisons are based on stores with both brands in distribution.

** Price disadvantage ONLY in stores where Basic's price > Lowest Discount by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

2023556173

The number of stores where Basic's pack price > GPC by more than 10¢ increased.

Basic vs. GPC in C-stores				
	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>	<u>4/16</u>
# SAME STORES	209	220	225	221
<u>BASIC > GPC by 10¢*</u>				
# STORES	95	113	110	114
% STORES	46%	51%	49%	52%
<u>PRICE DISADVANTAGE *</u>				
AVG. \$	\$0.25	\$0.24	\$0.24	\$0.24
MAXIMUM	\$0.68	\$0.68	\$0.68	\$0.56
MINIMUM	\$0.14	\$0.14	\$0.14	\$0.14

* All comparisons are based on stores with both brands in distribution.

** Price disadvantage ONLY in stores where Basic's price > GPC by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

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NIELSEN

2023656175

PM'S ALL OUTLET COMBINED PERFORMANCE
WEEKLY INTEGRATED NIELSEN W/E 4/9/94

- PM and Marlboro retail shares continued to advance in both pack and carton outlets.
 - PM's weekly share (45.9) advanced +0.3 points versus week ago. On a four week basis, PM's 45.8 share (+0.1) grew to its highest level to date.
 - Marlboro advanced +0.3 points week-to-week to 27.7 share, performing positively in C-stores, Supermarkets and Mass Merchandisers, while stable in Drug stores.
 - PM's Other Premium and Discount Brands were nearly stable week-to-week.
- Basic SOC remains unfavorable.
- RJR incurred a -0.3 point loss for the week to 29.2, driven by Doral, Winston and Private Labels.
 - Over four weeks, RJR's -0.2 loss was concentrated among Premium brands, particularly Winston.
- The Discount category remained stable this week (32.5) following the "first week of the month" advance last week.

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BENCHMARKS - TOTAL US
WEEKLY INTEGRATED NIELSEN

	<u>Target</u>	<u>Benchmarks*</u>	<u>4 w/e 9-Apr</u>	<u>Current vs. Benchmark</u>
Philip Morris	44.2	44.5 (lower limit)	45.8	1.3 Favorable
Marlboro	25.7	26.3 (lower limit)	27.5	1.2 Favorable
OPB	8.8	8.9 (lower limit)	9.1	0.2 Favorable
Virginia Slims	2.7	2.7 (lower limit)	2.9	0.2 Favorable
Benson & Hedges	2.5	2.5 (lower limit)	2.6	0.1 Favorable
Merit	2.8	2.8 (lower limit)	2.9	0.1 Favorable
Parliament	0.6	0.6 (lower limit)	0.6	0.0 Favorable
Basic Shr. of Disc. (SOC)	15.1	14.5 (lower limit)	14.3	0.2 Unfavorable
Discount Category	34.5	+2.0 Pts. (upper limit)**	32.5	2.0 Favorable
Private Label	8.5	9.0 (upper limit)	7.9	1.1 Favorable

* Revised to reflect 1994 First Revised Forecast.

** Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.5%.

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Nilsn INT weekly bench

NIELSEN INTEGRATED DATA
(All Outlets Combined)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>
Base March 1993	41.63	33.58	10.70	5.92	5.73	2.31
April 9, 1994 (4WM)	<u>45.78</u>	<u>29.38</u>	<u>10.03</u>	<u>6.32</u>	<u>6.35</u>	<u>1.99</u>
	4.15	(4.20)	(0.67)	0.40	0.62	(0.32)

<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>
Base March 1993	61.96	37.70	28.36	9.35
April 9, 1994 (4WM)	<u>68.00</u>	<u>32.47</u>	<u>24.56</u>	<u>7.91</u>
	6.04	(5.23)	(3.80)	(1.44)

<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
Base March 1993	22.04	9.06	5.61	0.43	3.82
April 9, 1994 (4WM)	<u>27.54</u>	<u>9.11</u>	<u>5.90</u>	<u>0.89</u>	<u>4.30</u>
	5.50	0.05	0.29	0.46	0.48

<u>MAJOR BRANDS</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>	<u>Kool</u>	<u>Newport</u>
Base March 1993	4.22	1.72	0.80	3.27	3.24
April 9, 1994 (4WM)	<u>3.95</u>	<u>1.43</u>	<u>0.65</u>	<u>3.10</u>	<u>3.87</u>
	(0.27)	(0.29)	(0.15)	(0.17)	0.63

<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
Base March 1993	4.00	2.25	0.52	4.27	0.88	0.93	2.81	3.51	4.48
April 9, 1994 (4WM)	<u>4.65</u>	<u>1.83</u>	<u>0.44</u>	<u>4.63</u>	<u>1.04</u>	<u>1.16</u>	<u>1.99</u>	<u>1.19</u>	<u>4.43</u>
	0.65	(0.42)	(0.08)	0.36	0.16	0.23	(0.82)	(2.32)	(0.05)

<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>
Base March 1993	2.96	4.74	1.22	0.43
April 9, 1994 (4WM)	<u>1.83</u>	<u>4.15</u>	<u>1.10</u>	<u>0.83</u>
	(1.13)	(0.59)	(0.12)	0.40

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NOTE: In the Integrated Nielsen Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

NIELSEN INTEGRATED DATA
(All Outlets Combined)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>
Base July 1993	45.50	31.87	9.81	5.50	5.38	1.82
April 9, 1994 (4WM)	<u>45.78</u>	<u>29.38</u>	<u>10.03</u>	<u>6.32</u>	<u>6.35</u>	<u>1.99</u>
	0.28	(2.49)	0.22	0.82	0.97	0.17

<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>
Base July 1993	64.54	35.31	26.41	8.90
April 9, 1994 (4WM)	<u>68.00</u>	<u>32.47</u>	<u>24.56</u>	<u>7.91</u>
	3.46	(2.84)	(1.85)	(0.99)

<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>
Base July 1993	26.63	8.30	6.10	0.58	3.88
April 9, 1994 (4WM)	<u>27.54</u>	<u>9.11</u>	<u>5.90</u>	<u>0.89</u>	<u>4.30</u>
	0.91	0.81	(0.20)	0.31	0.42

<u>MAJOR BRANDS</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>	<u>Kool</u>	<u>Newport</u>
Base July 1993	3.91	1.49	0.68	3.01	3.17
April 9, 1994 (4WM)	<u>3.95</u>	<u>1.43</u>	<u>0.65</u>	<u>3.10</u>	<u>3.87</u>
	0.04	(0.06)	(0.03)	0.09	0.70

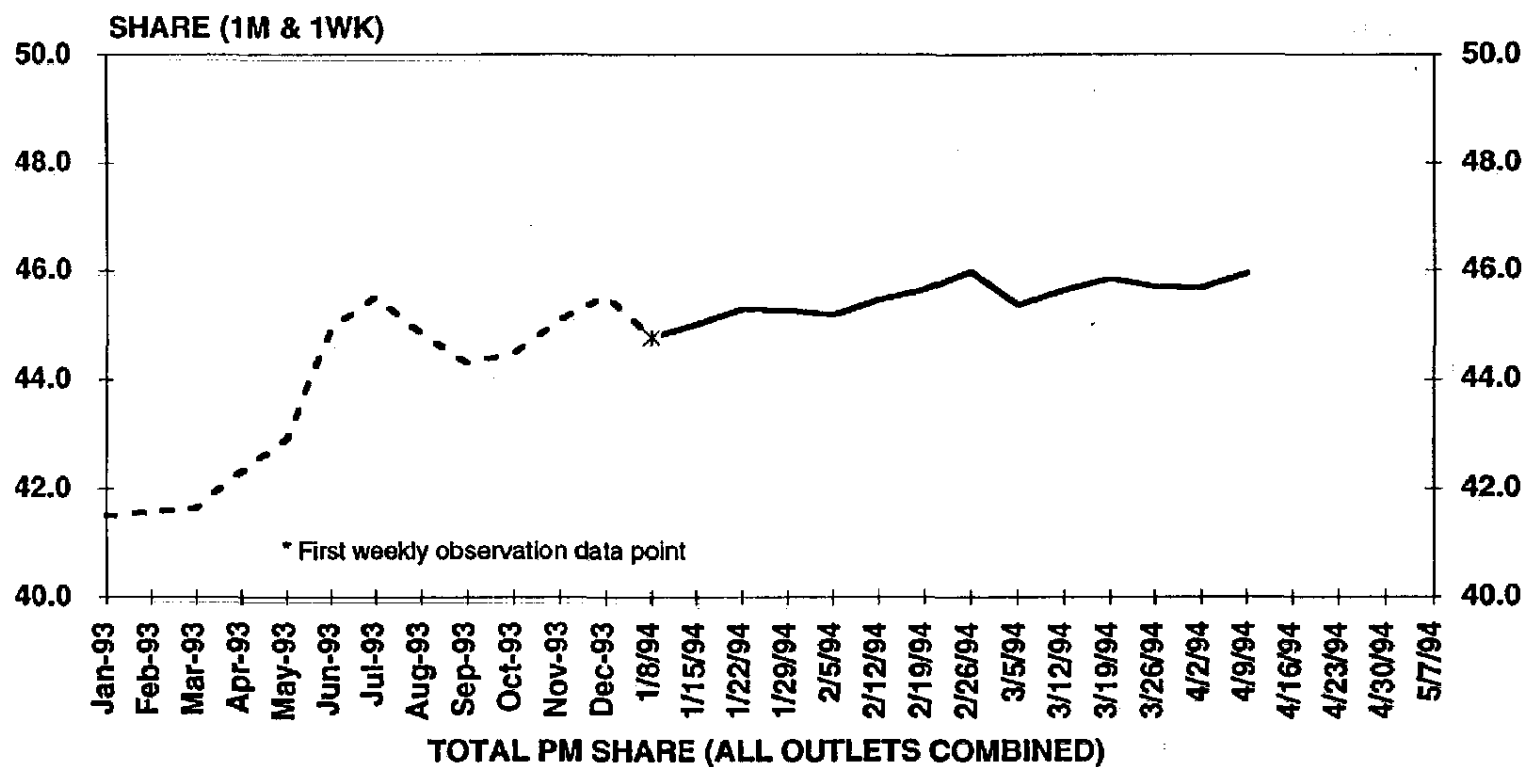
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>
Base July 1993	4.95	1.94	0.44	4.66	0.83	0.83	2.43	2.27	4.13
April 9, 1994 (4WM)	<u>4.65</u>	<u>1.83</u>	<u>0.44</u>	<u>4.63</u>	<u>1.04</u>	<u>1.16</u>	<u>1.99</u>	<u>1.19</u>	<u>4.43</u>
	(0.30)	(0.11)	0.00	(0.03)	0.21	0.33	(0.44)	(1.08)	0.30

<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>
Base July 1993	2.75	4.63	0.97	0.55
April 9, 1994 (4WM)	<u>1.83</u>	<u>4.15</u>	<u>1.10</u>	<u>0.83</u>
	(0.92)	(0.48)	0.13	0.28

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NOTE: In the Integrated Nielsen Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

PM'S WEEKLY SHARE INCREASED +0.3 POINTS VERSUS WEEK-AGO TO 45.9%, WHILE ON A FOUR WEEK BASIS PM'S PERFORMANCE WAS UP +0.1 POINTS VERSUS FOUR WEEKS AGO TO 45.8% (ITS HIGHEST SHARE LEVEL TO DATE).

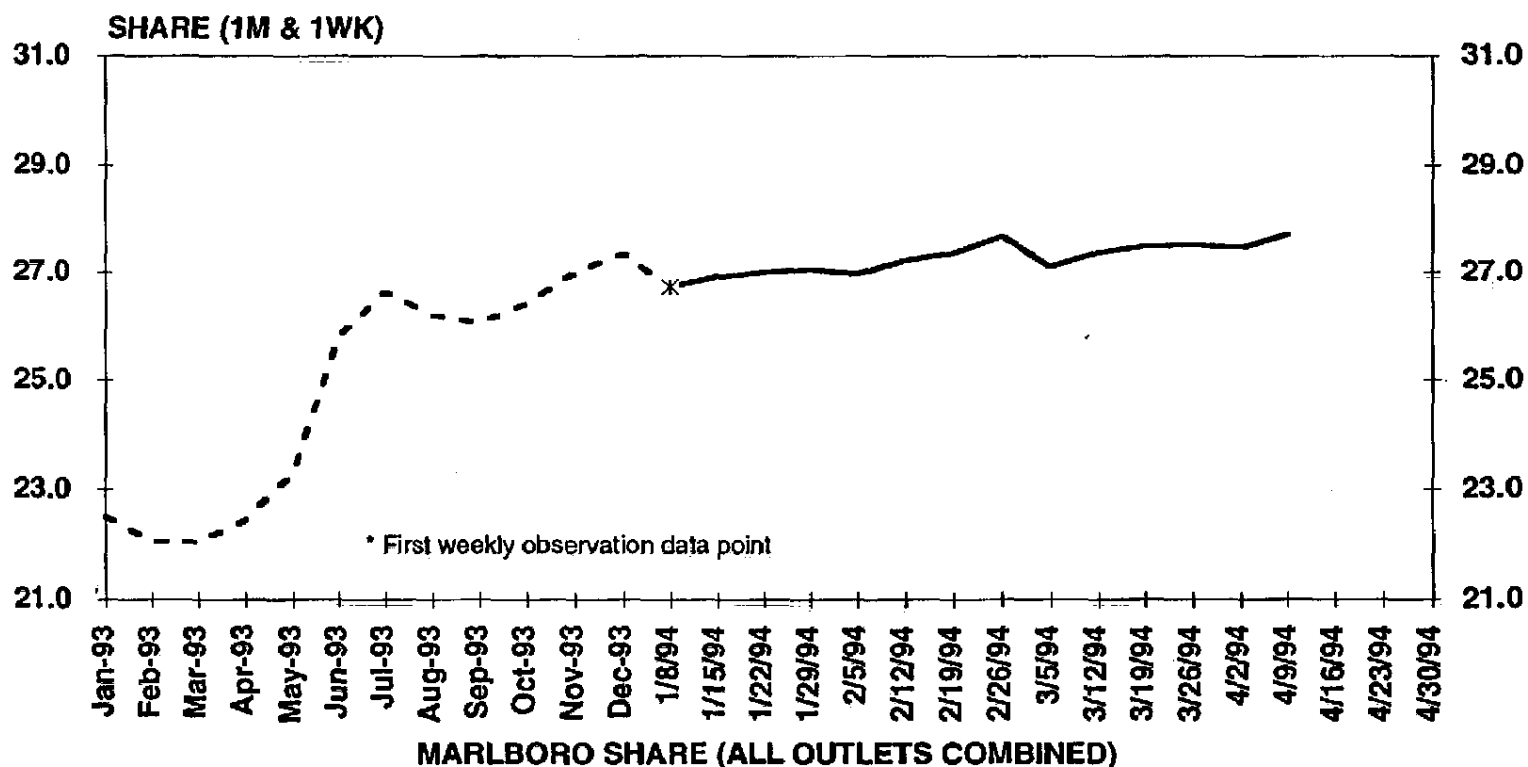


2023656180

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 1

MARLBORO'S SHARE ADVANCED +0.3 POINTS VERSUS WEEK-AGO TO 27.7%, WHILE ON A FOUR WEEK BASIS THE FRANCHISE'S PERFORMANCE WAS UP +0.2 POINTS VERSUS FOUR WEEKS AGO.

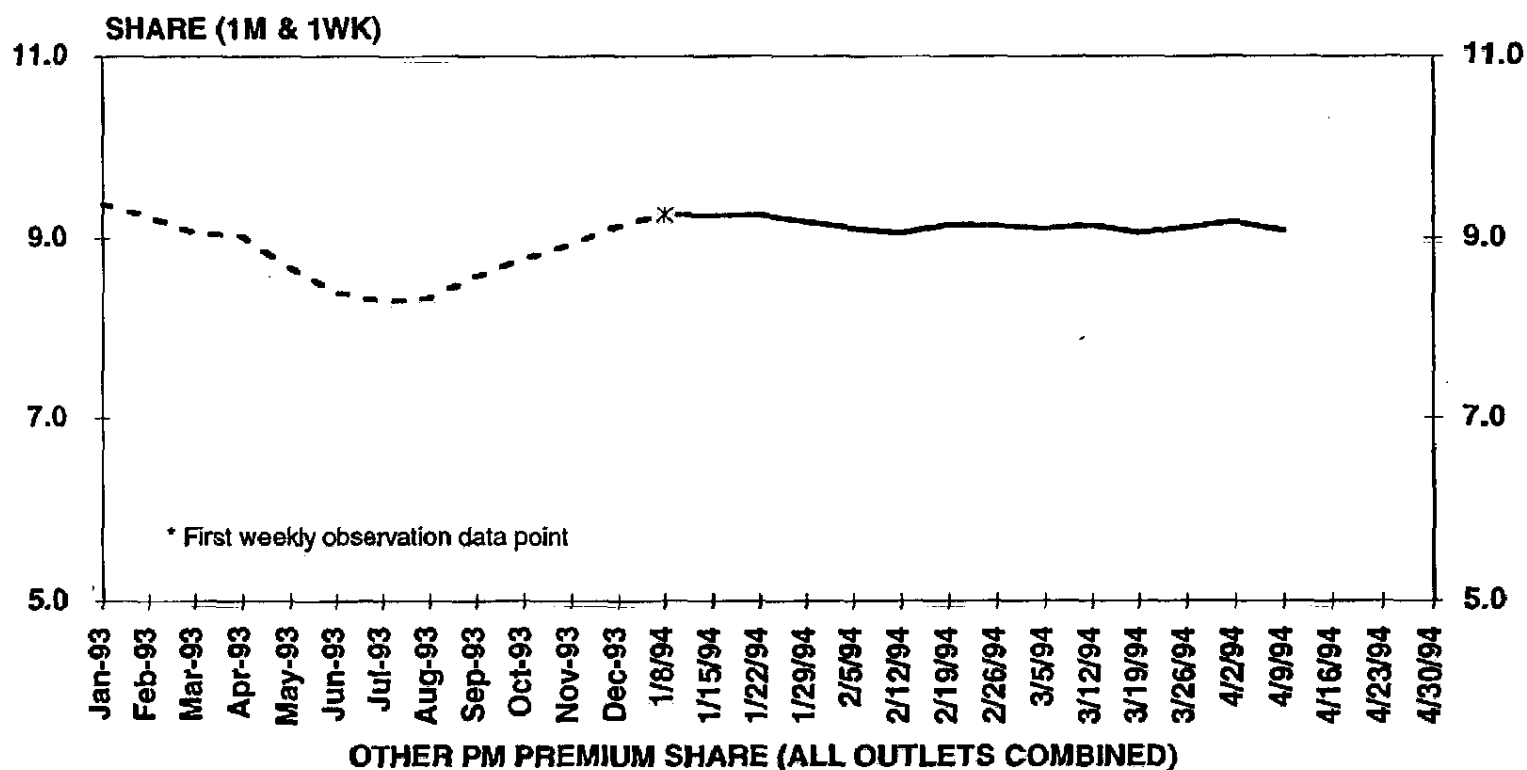


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Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 4

PM'S OTHER PREMIUM BRANDS' SHARE DECLINED -0.1 POINTS WEEK-TO-WEEK WHILE REMAINING STABLE ON A FOUR WEEK BASIS.

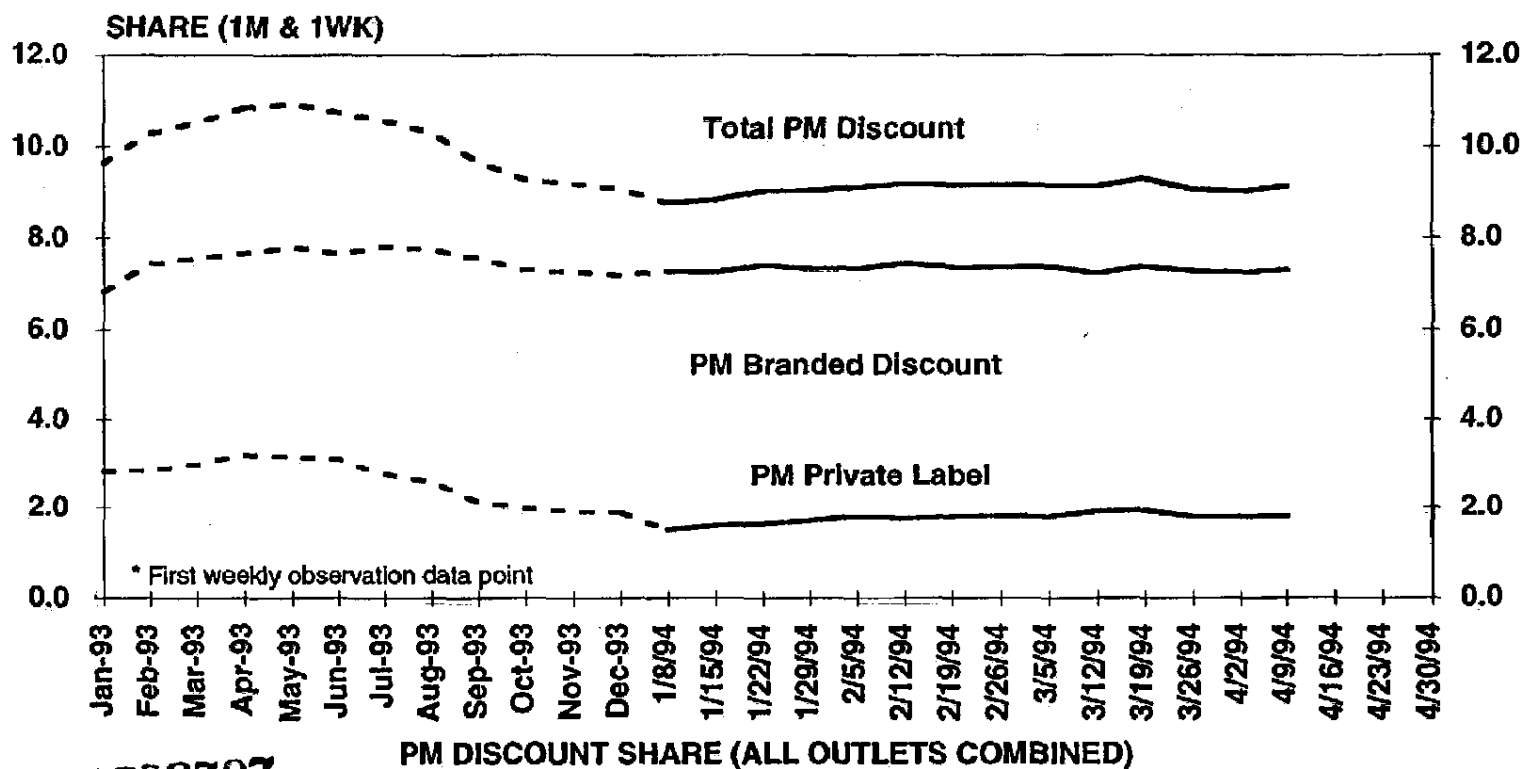


2023656182

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 2

PM'S DISCOUNT SHARE GAINED +0.1 POINTS VERSUS WEEK-AGO TO 9.1%, WITH BASIC ACCOUNTING FOR ALL OF THE INCREASE.

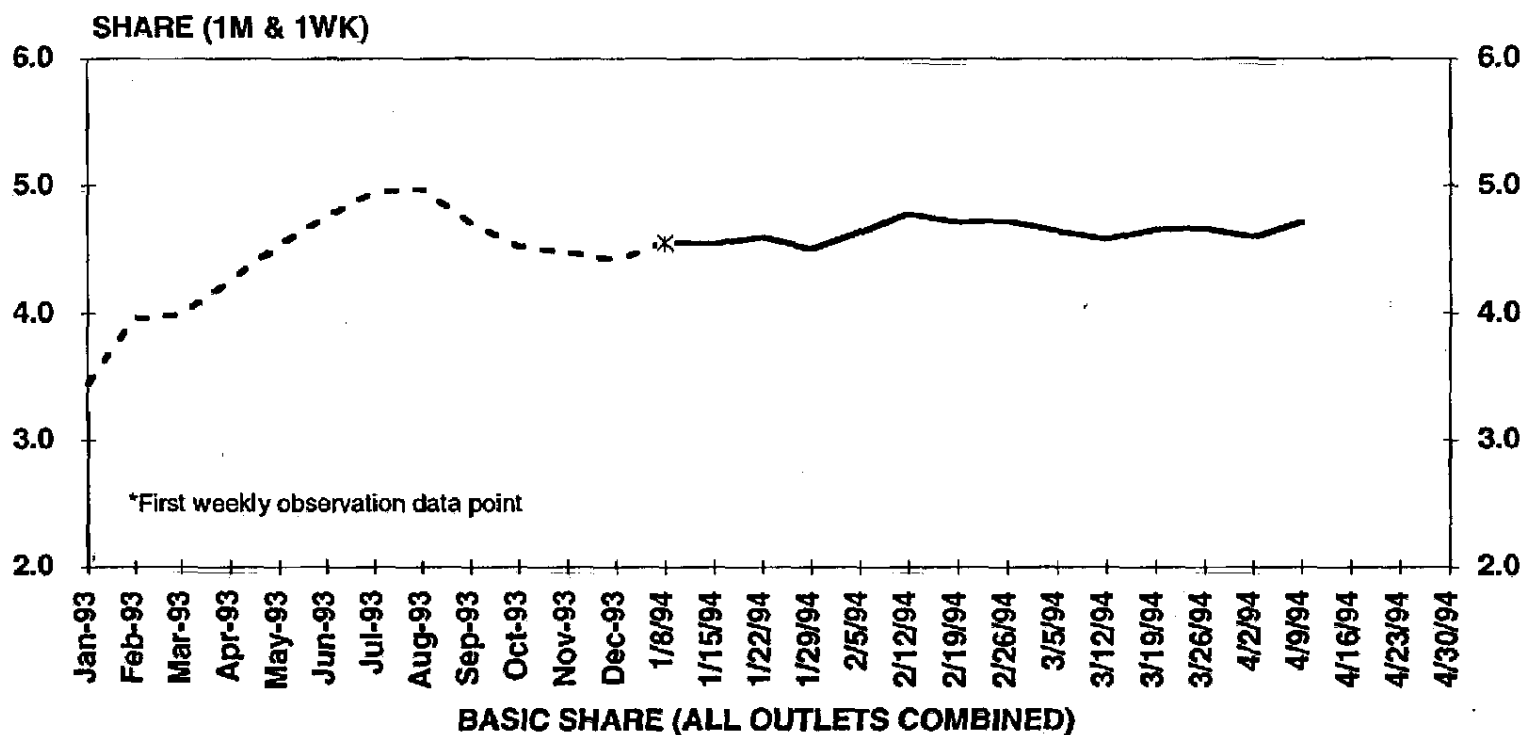


2022656183

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 3

BASIC'S SHARE INCREASED +0.1 POINTS VERSUS WEEK-AGO TO 4.7%, WHILE UNCHANGED ON A FOUR WEEK BASIS VERSUS THE PRIOR FOUR WEEK PERIOD.

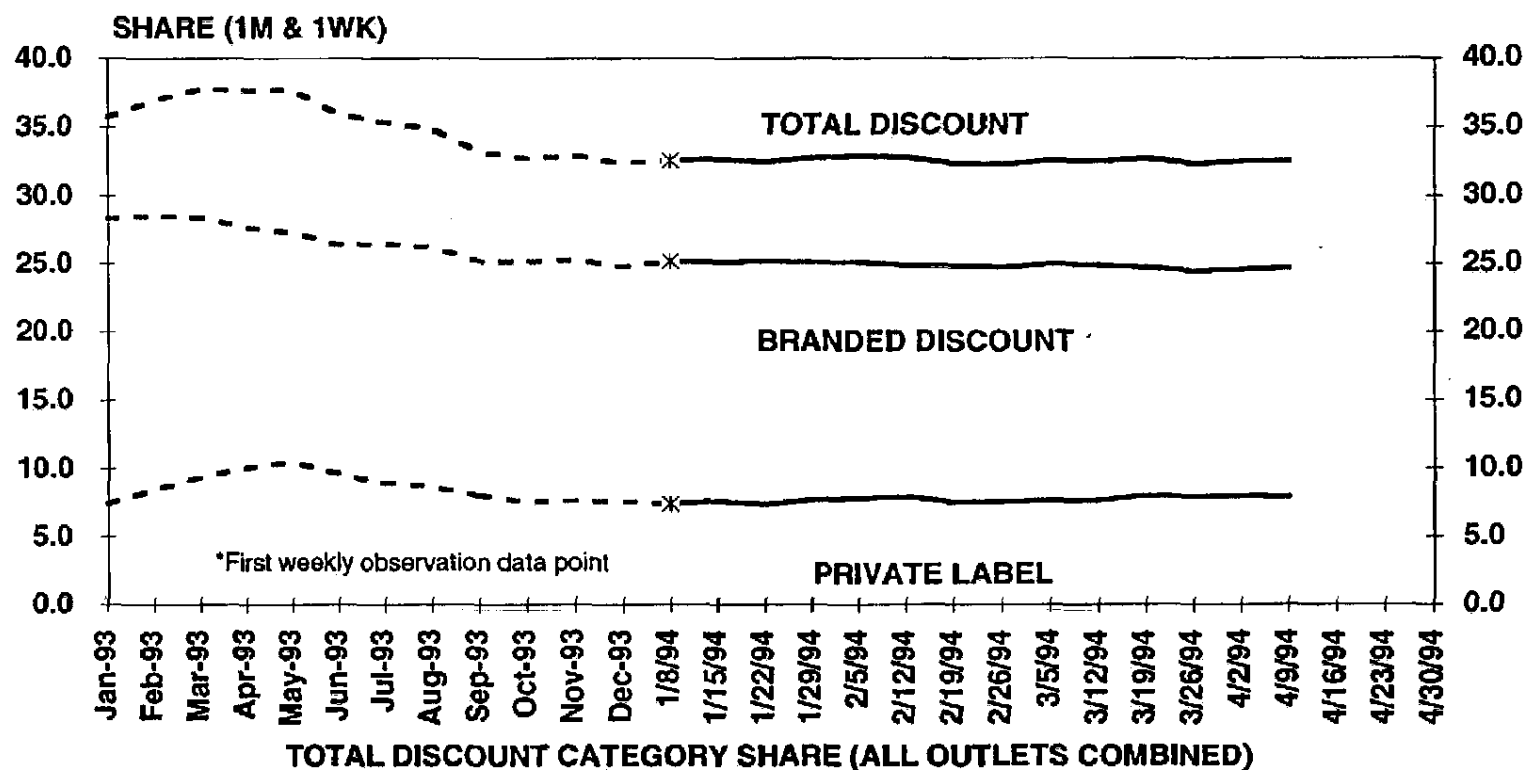


2023656184

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 8

THE DISCOUNT CATEGORY'S SHARE WAS STABLE VERSUS WEEK-AGO AT 32.5%, FOLLOWING THE "FIRST-WEEK-OF-THE-MONTH" GAIN LAST WEEK, WITH BRANDED DISCOUNT ADVANCES OFFSETTING PRIVATE LABEL LOSSES.

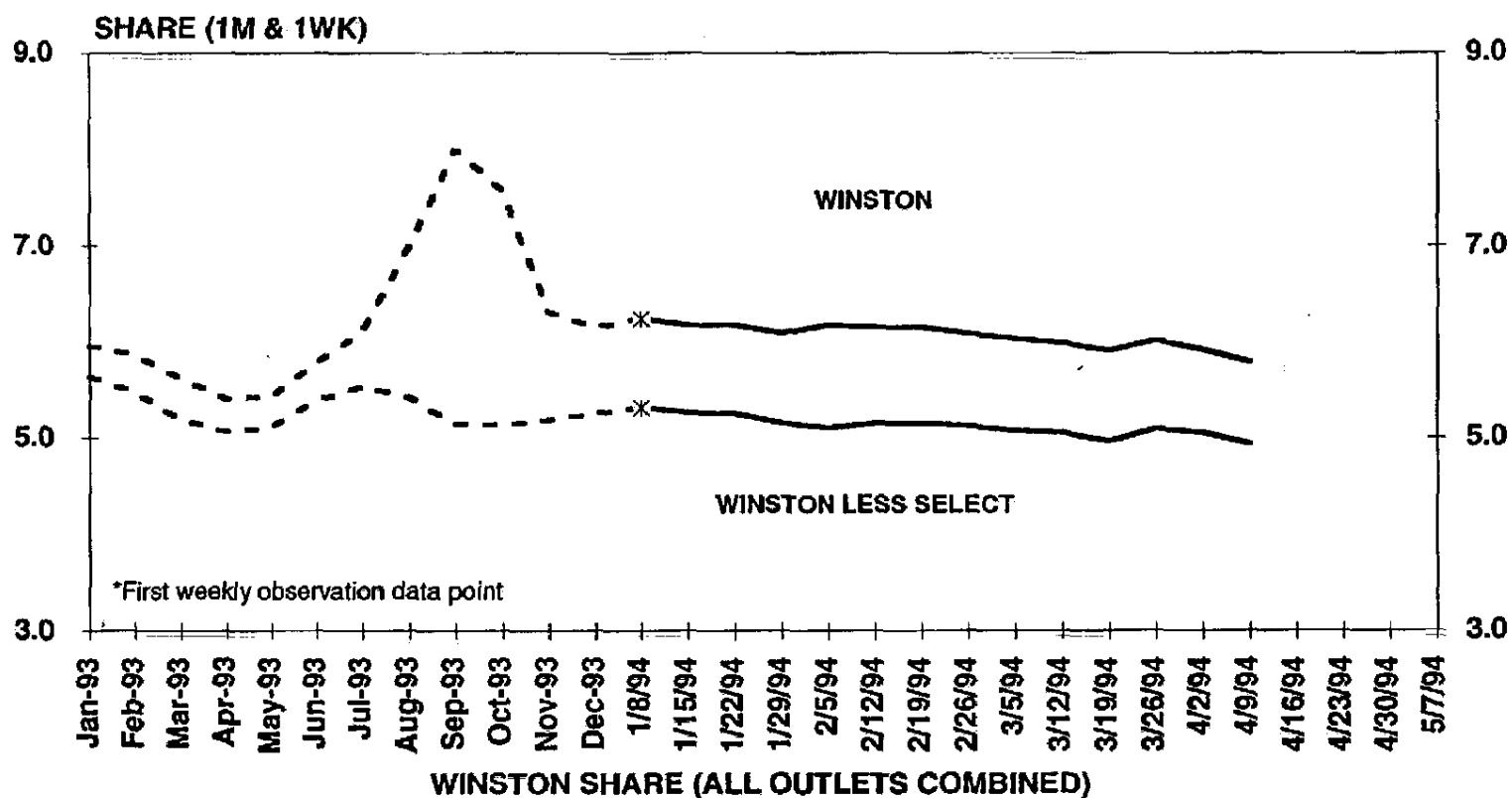


2023656185

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 6

WINSTON'S SHARE DECLINED -0.1 POINTS VERSUS WEEK-AGO TO 5.8%, WHILE THE FRANCHISE'S FOUR WEEK PERFORMANCE DECLINED -0.2 POINTS VERSUS FOUR WEEKS AGO.



2023656186

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 10

**NIELSEN
C-STORE**

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PM'S PERFORMANCE IN C-STORES WEEKLY INTEGRATED PANEL (800 STORES) W/E 4/9/94

- PM's +0.4 point gain versus week-ago to 48% was driven by Marlboro (+0.2) and Basic (+0.2). On a four week basis, PM was unchanged.
- While Marlboro's weekly share (30.7) was up, the percent of stores with an incentive offer continued to decline (-7 points over the last four weeks).
- RJR lost -0.4 points week-to-week to 28.4%, but was stable on a four week basis.
 - For the week, Camel, Monarch and Best Value advanced, offset by declines in Doral, Private Label and Winston.
 - Camel's free product deals increased to its highest levels since July 1993: +5 points for the week and +13 points since w/e March 12.
- The Discount Category's share (33.2) declined -0.2 points following its "first week of the month" advance. On a four week basis, the category was flat, with Private Label gains offsetting Branded Discount declines (-0.5 points each).

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BENCHMARKS - TOTAL US
NIELSEN WEEKLY C-STORE AUDITS (800 STORES)

	<u>Benchmarks</u>	<u>4 Weeks Ending 9-Apr</u>	<u>Current vs. Benchmark</u>
Philip Morris	45.2 (lower limit)	47.7	2.5 Favorable
Marlboro	28.2 (lower limit)	30.5	2.3 Favorable
OPB	7.7 (lower limit)	8.0	0.3 Favorable
Virginia Slims	2.3 (lower limit)	2.3	0.0 Favorable
Benson & Hedges	2.2 (lower limit)	2.4	0.2 Favorable
Merit	2.6 (lower limit)	2.7	0.1 Favorable
Parliament	0.4 (lower limit)	0.5	0.1 Favorable
Basic - Shr. of Discount	16.3 (lower limit)	15.1	1.2 Unfavorable
Discount Category	+2.0 Pts. (upper limit)*	33.2	1.7 Favorable
Private Label	10.2 (upper limit)	9.6	0.6 Favorable
Lowest Disc. Price **	\$1.34 (lower limit)	\$1.33	\$0.01 Unfavorable
Absolute Price Gap ***	\$0.57 (upper limit)	\$0.58	\$0.01 Unfavorable

* Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.9%.

** Source: Nielsen Weekly Pricing Audits (linear average)

*** Marlboro versus lowest Discount.

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C-store bench 800

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>				
Base March 1993	43.22	33.88	11.01	4.76	5.74	1.37				
April 9, 1994 (4WM)	<u>47.74</u>	<u>28.55</u>	<u>10.33</u>	<u>5.45</u>	<u>6.34</u>	<u>1.52</u>				
	4.52	(5.33)	(0.68)	0.69	0.60	0.15				
			</							

Source: Nielsen Integrated Panel

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Note: In the Nielsen Integrated Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

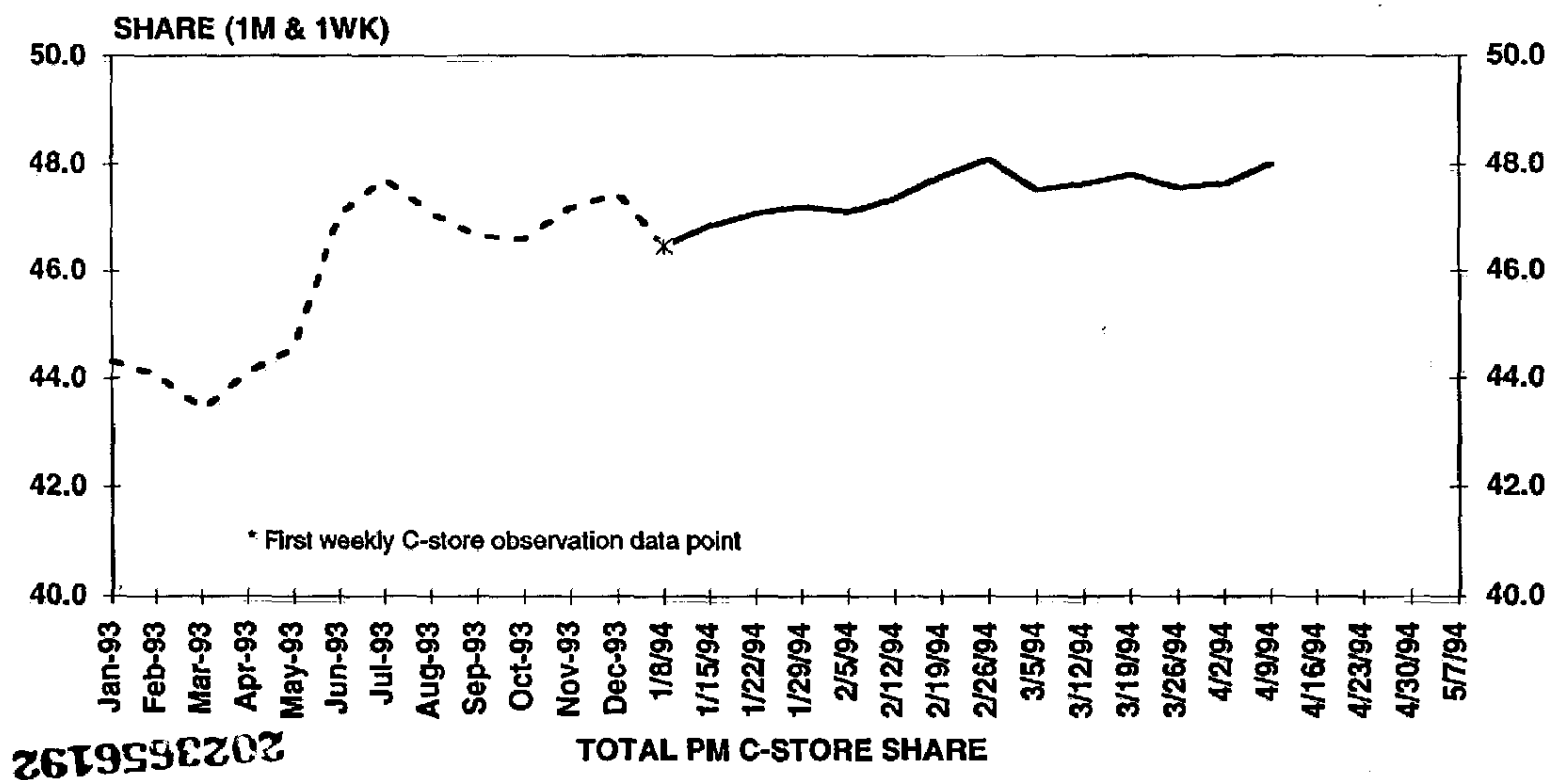
<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>				
Base July 1993	47.59	31.33	9.95	4.62	5.36	1.09				
April 9, 1994 (4WM)	<u>47.74</u>	<u>28.55</u>	<u>10.33</u>	<u>5.45</u>	<u>6.34</u>	<u>1.52</u>				
	0.15	(2.78)	0.38	0.83	0.98	0.43				
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>						
Base July 1993	64.00	36.00	25.39	10.62						
April 9, 1994 (4WM)	<u>67.32</u>	<u>33.24</u>	<u>23.63</u>	<u>9.61</u>						
	3.32	(2.76)	(1.76)	(1.01)						
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>					
Base July 1993	29.66	7.07	5.89	0.65	4.34					
April 9, 1994 (4WM)	<u>30.54</u>	<u>7.96</u>	<u>5.41</u>	<u>1.00</u>	<u>4.75</u>					
	0.88	0.89	(0.48)	0.35	0.41					
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>					
Base July 1993	3.74	3.13	3.33	1.20	0.41					
April 9, 1994 (4WM)	<u>4.51</u>	<u>3.22</u>	<u>3.45</u>	<u>1.18</u>	<u>0.39</u>					
	0.77	0.09	0.12	(0.02)	(0.02)					
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>	
Base July 1993	5.59	1.38	0.34	3.50	0.77	0.84	3.34	1.64	4.44	
April 9, 1994 (4WM)	<u>5.01</u>	<u>1.28</u>	<u>0.32</u>	<u>4.00</u>	<u>0.88</u>	<u>1.19</u>	<u>2.64</u>	<u>0.71</u>	<u>4.97</u>	
	(0.58)	(0.10)	(0.02)	0.50	0.11	0.35	(0.70)	(0.93)	0.53	
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>						
Base July 1993	3.05	6.32	0.52	0.73						
April 9, 1994 (4WM)	<u>2.26</u>	<u>5.17</u>	<u>1.07</u>	<u>1.12</u>						
	(0.79)	(1.15)	0.55	0.39						

Source: Nielsen Integrated Panel

161959C202

Note: In the Nielsen Integrated Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

PM'S SHARE INCREASED +0.4 POINTS VERSUS WEEK-AGO TO 48.0% WHILE REMAINING STABLE ON A FOUR WEEK BASIS.

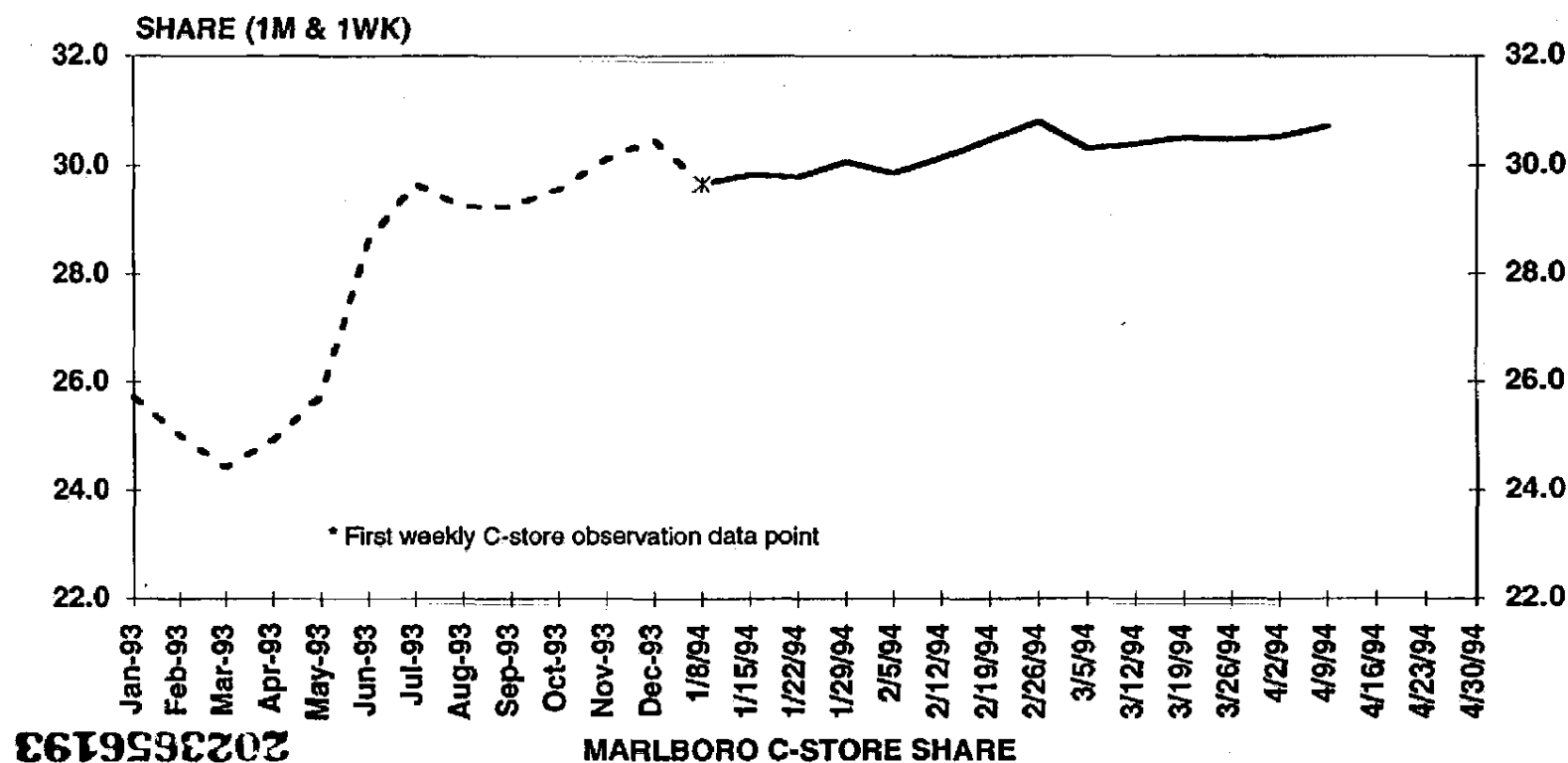


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 1

MARLBORO'S WEEKLY SHARE INCREASED +0.2 POINTS VERSUS WEEK-AGO TO 30.7%, WHILE ON A FOUR WEEK BASIS THE FRANCHISE'S PERFORMANCE WAS UP +0.1 POINTS VERSUS FOUR WEEKS AGO.

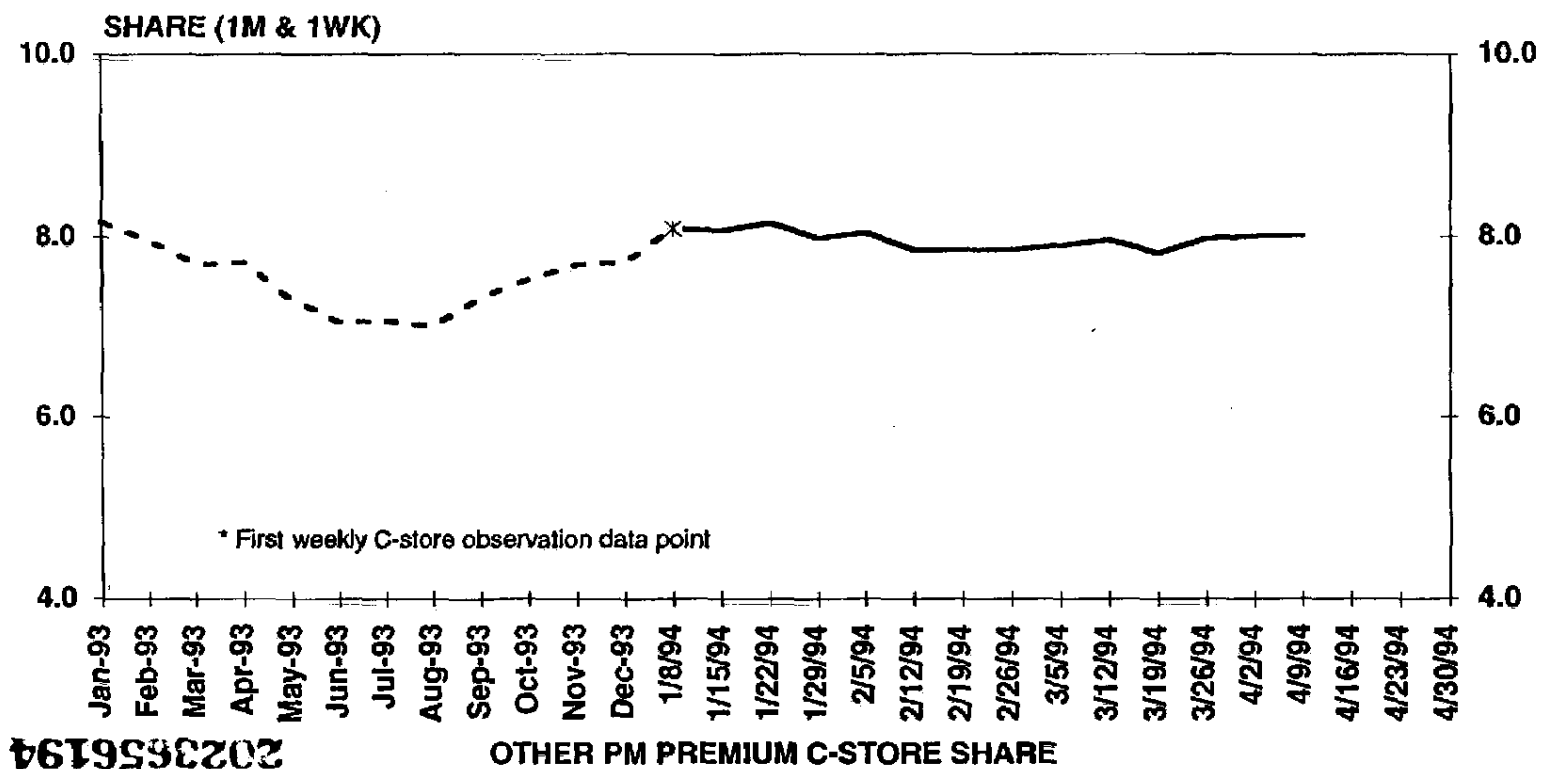


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 4

PM'S OTHER PREMIUM BRANDS' SHARE HAS REMAINED STABLE OVER THE LAST THREE WEEKLY PERIODS AT 8.0%.

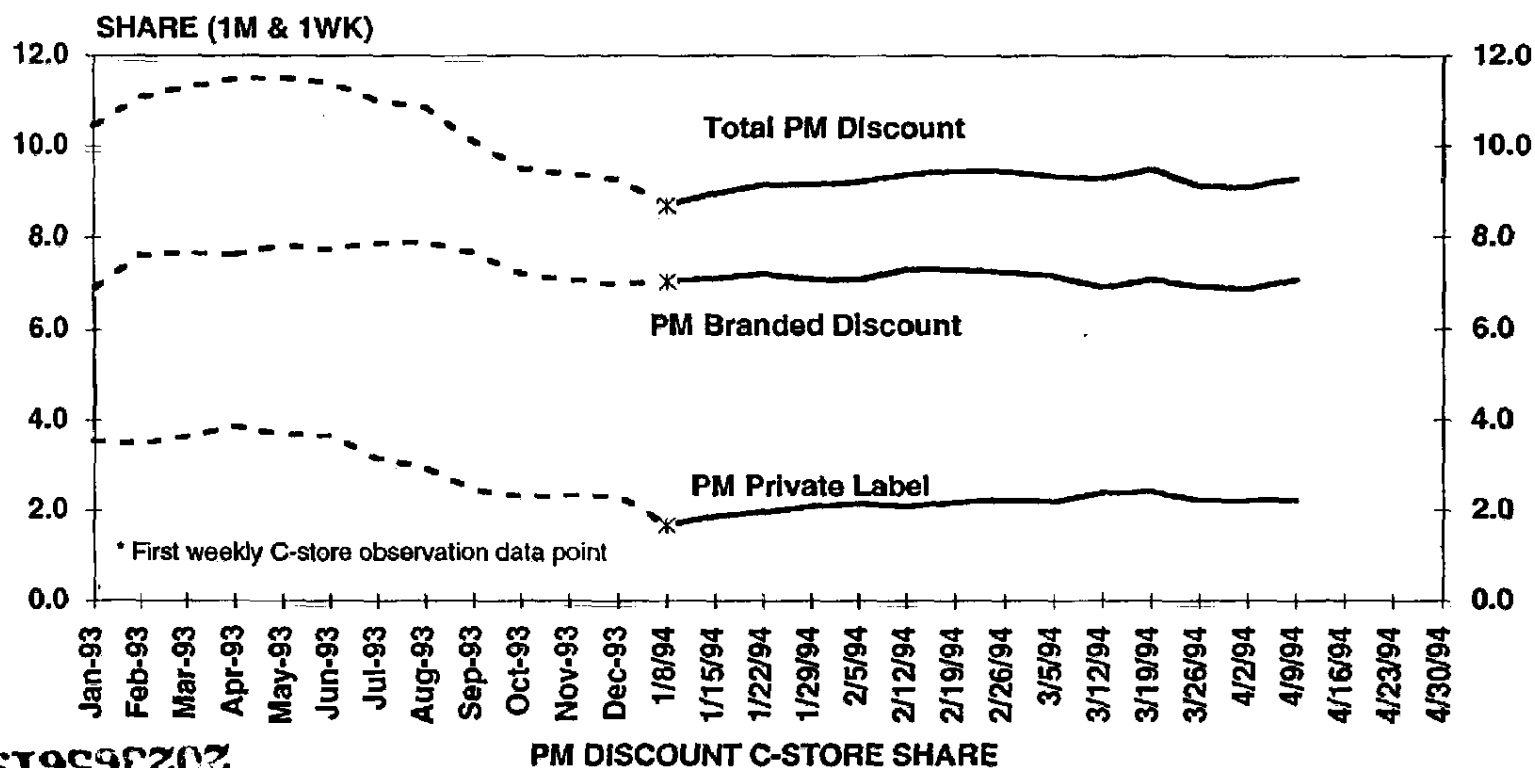


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 2

PM'S DISCOUNT BRANDS' SHARE ADVANCED +0.2 POINTS VERSUS WEEK-AGO TO 9.3%, WITH BASIC ACCOUNTING FOR THE MAJORITY OF THE GAIN.



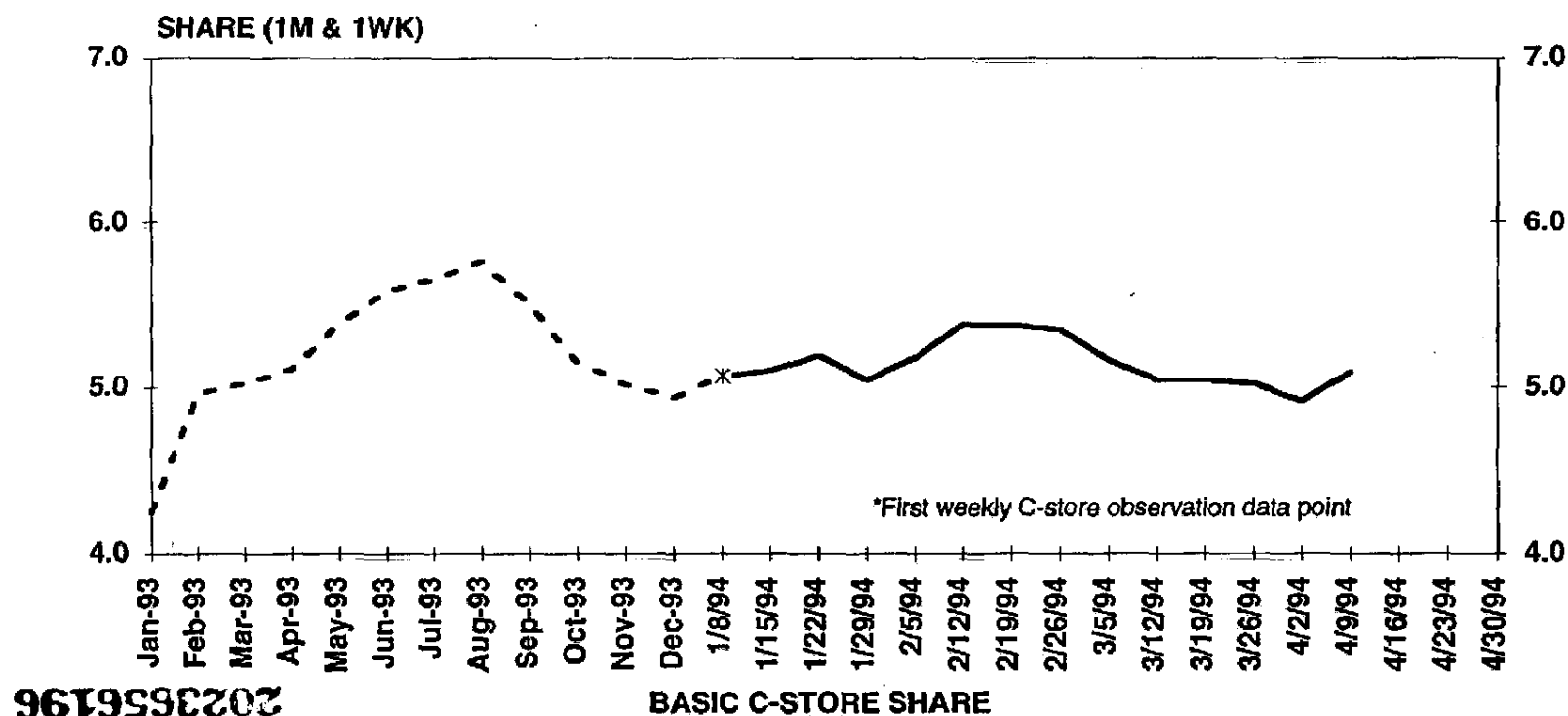
561959C202

Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen C-store weekly 800 Chart 3

BASIC'S SHARE IN CONVENIENCE STORES GAINED +0.2 POINTS VERSUS WEEK-AGO TO 5.1%, WHILE ON A FOUR WEEK BASIS THE BRAND'S PERFORMANCE DECLINED -0.2 POINTS VERSUS FOUR WEEKS AGO.

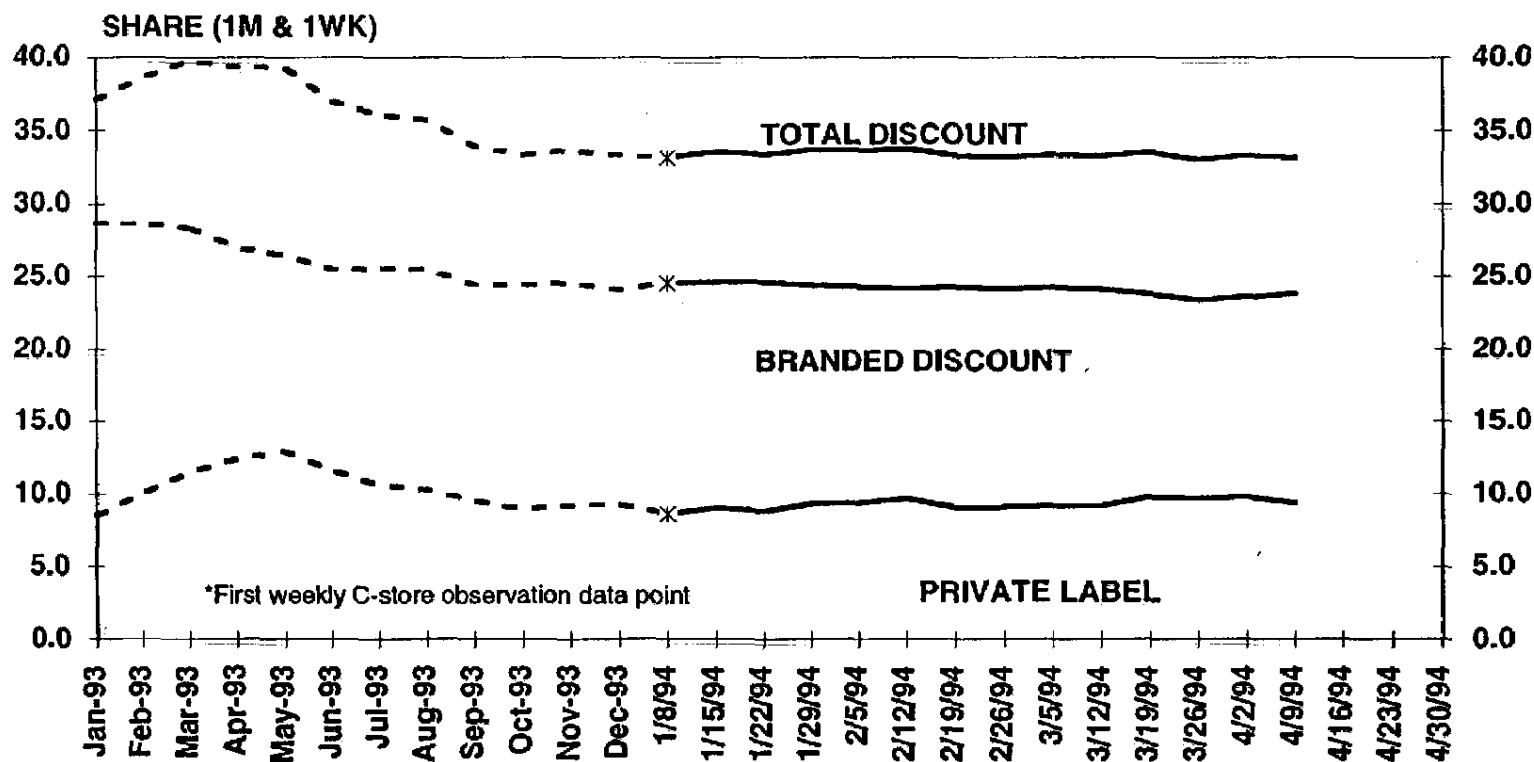


Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 8

THE DISCOUNT CATEGORY'S SHARE DECLINED -0.2 POINTS TO 33.2% FOLLOWING LAST WEEK'S "FIRST-WEEK-OF-THE-MONTH" GAIN, WITH PRIVATE LABEL LOSSES (PRIMARILY RJR AND LIGGETT) MORE THAN OFFSETTING BRANDED DISCOUNT ADVANCES.



202556197

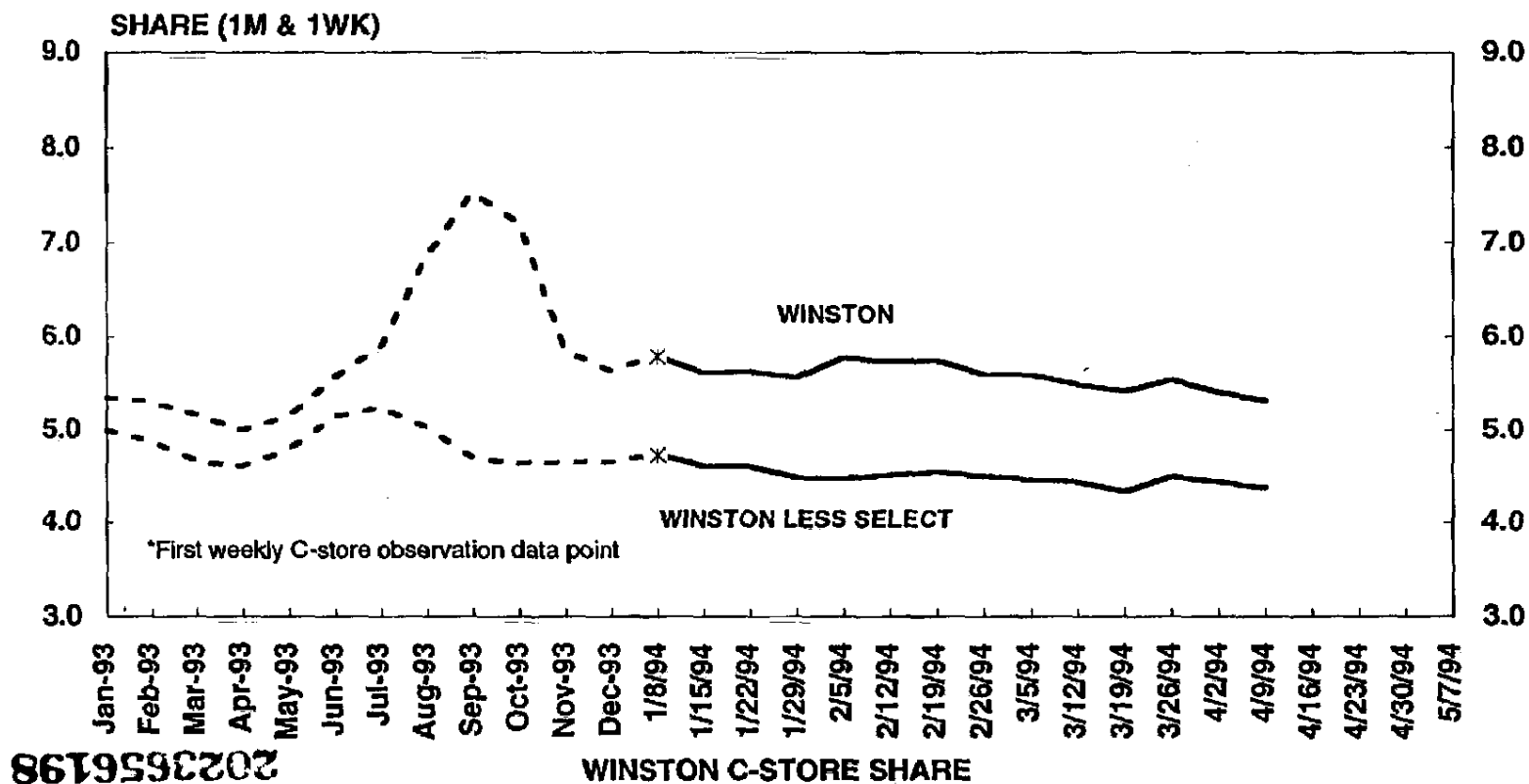
TOTAL DISCOUNT CATEGORY C-STORE SHARE

Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 6

WINSTON'S SHARE THIS WEEK IN C-STORES WAS 5.3%, DOWN -0.1 POINTS VERSUS WEEK-AGO.



Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 12

THE INCIDENCE OF CAMEL FREE PRODUCT DEALS INCREASED +5 POINTS VERSUS WEEK-AGO TO 28% OF STORES AS CAMEL FREE PRODUCT SHARE WAS UNCHANGED WEEK-TO-WEEK.

	<u>1/8</u>	<u>1/15</u>	<u>1/22</u>	<u>1/29</u>	<u>2/5</u>	<u>2/12</u>	<u>2/19</u>	<u>2/26</u>	<u>3/5</u>	<u>3/12</u>	<u>3/19</u>	<u>3/26</u>	<u>4/2</u>	<u>4/9</u>
Total Industry	0.80	0.77	1.01	1.03	0.94	0.92	1.07	1.09	1.07	1.09	1.19	0.96	1.32	1.12
Total RJR	0.63	0.55	0.74	0.73	0.65	0.69	0.70	0.67	0.78	0.87	0.76	0.65	1.03	0.74
Total Winston	0.06	0.07	0.13	0.20	0.32	0.42	0.34	0.35	0.23	0.24	0.17	0.10	0.06	0.05
Total Camel	0.45	0.38	0.35	0.24	0.22	0.21	0.28	0.15	0.18	0.17	0.22	0.23	0.47	0.45
Total Doral	0.09	0.09	0.16	0.10	0.03	0.04	0.05	0.16	0.35	0.45	0.35	0.28	0.47	0.22
Monarch	0.02	0.02	0.09	0.18	0.07	0.02	0.03	0.01	0.01	0.01	0.02	0.03	0.03	0.02
Total PM	0.09	0.12	0.17	0.18	0.19	0.11	0.21	0.24	0.11	0.11	0.29	0.21	0.23	0.28
PM Premium	0.00	0.00	0.00	0.00	0.30	0.01	0.00	0.00	0.00	0.03	0.02	0.01	0.01	0.01
PM Discount	0.09	0.12	0.17	0.18	0.16	0.10	0.21	0.24	0.11	0.08	0.28	0.20	0.22	0.27
Total Lorillard	0.04	0.06	0.04	0.02	0.02	0.06	0.04	0.01	0.01	0.00	0.01	0.00	0.00	0.01
Total B&W	0.02	0.02	0.05	0.10	0.07	0.05	0.09	0.07	0.09	0.06	0.07	0.08	0.05	0.07
Total American	0.02	0.01	0.01	0.01	0.01	0.01	0.02	0.10	0.08	0.05	0.06	0.03	0.01	0.02

202365191

SOURCE: NEILSEN WEEKLY C-STORE AUDIT (400 STORES)

Free Prod Chart

2023656200

MCLANE
SHIPMENTS

MCLANE SUMMARY THROUGH APRIL 15

Total McLane

- Total industry volume decreased primarily due to declines by most major premium brands (except Marlboro).
 - Marlboro's volume remained stable this week while its share climbed to a new high of 31.2. Over the last 13 weeks, Marlboro has experienced gains in both Wal-mart and C-stores, up +1.12 and +.43 share points, respectively.
- PM's weekly share remained stable while RJR continued to decrease following high levels of promotional shipments in recent weeks, and some volume declines (primarily Winston) this week.
- Basic and GPC share trends remained stable in Wal-Mart and C-stores.
 - On a volume basis, GPC has continued to increase at Sam's Wholesale, widening the gap with Basic.

Total C-Stores

- No additional chains received shipments of Camel 35¢ off 2-pack promotions this week.
 - Camel has not experienced any payback in Circle-K, Dairy Mart or Coastal Mart as a result of the forced shipment in the last two weeks.

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**MCLANE SHIPMENT DATA
(C-Stores & Mass Merch)**

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>				
4 wk Base April 2,1993	39.66	37.42	13.76	3.76	4.30	1.07				
April 15, 1994 (4wm)	<u>47.06</u>	<u>29.49</u>	<u>11.96</u>	<u>4.59</u>	<u>5.10</u>	<u>1.77</u>				
	7.40	(7.93)	(1.80)	0.83	0.80	0.70				
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>						
4 wk Base April 2,1993	54.90	45.10	32.71	12.39						
April 15, 1994 (4wm)	<u>67.54</u>	<u>32.46</u>	<u>25.33</u>	<u>7.13</u>						
	12.64	(12.64)	(7.38)	(5.26)						
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>					
4 wk Base April 2,1993	21.44	7.33	5.12	0.18	3.88					
April 15, 1994 (4wm)	<u>30.18</u>	<u>8.25</u>	<u>5.81</u>	<u>0.63</u>	<u>4.94</u>					
	8.74	0.92	0.69	0.45	1.06					
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>					
4 wk Base April 2,1993	2.97	3.44	3.52	1.39	0.52					
April 15, 1994 (4wm)	<u>3.53</u>	<u>3.23</u>	<u>3.58</u>	<u>1.40</u>	<u>0.55</u>					
	0.56	(0.21)	0.06	0.01	0.03					
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>	
4 wk Base April 2,1993	5.85	1.83	0.35	4.38	0.46	0.67	3.54	4.30	7.97	
April 15, 1994 (4wm)	<u>4.21</u>	<u>1.96</u>	<u>0.41</u>	<u>5.04</u>	<u>0.80</u>	<u>0.95</u>	<u>1.43</u>	<u>1.47</u>	<u>6.53</u>	
	(1.64)	0.13	0.06	0.66	0.34	0.28	(2.11)	(2.83)	(1.44)	
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>						
4 wk Base April 2,1993	2.39	9.31	0.69	0.00						
April 15, 1994 (4wm)	<u>1.82</u>	<u>4.16</u>	<u>1.15</u>	<u>0.00</u>						
	(0.57)	(5.15)	0.46	0.00						

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NOTE: THESE TOP 20 ACCOUNTS ARE PRIMARILY SUPPLIED WITH RJR PRIVATE LABEL PRODUCTS.

**MCLANE SHIPMENT DATA
(C-Stores & Mass Merch)**

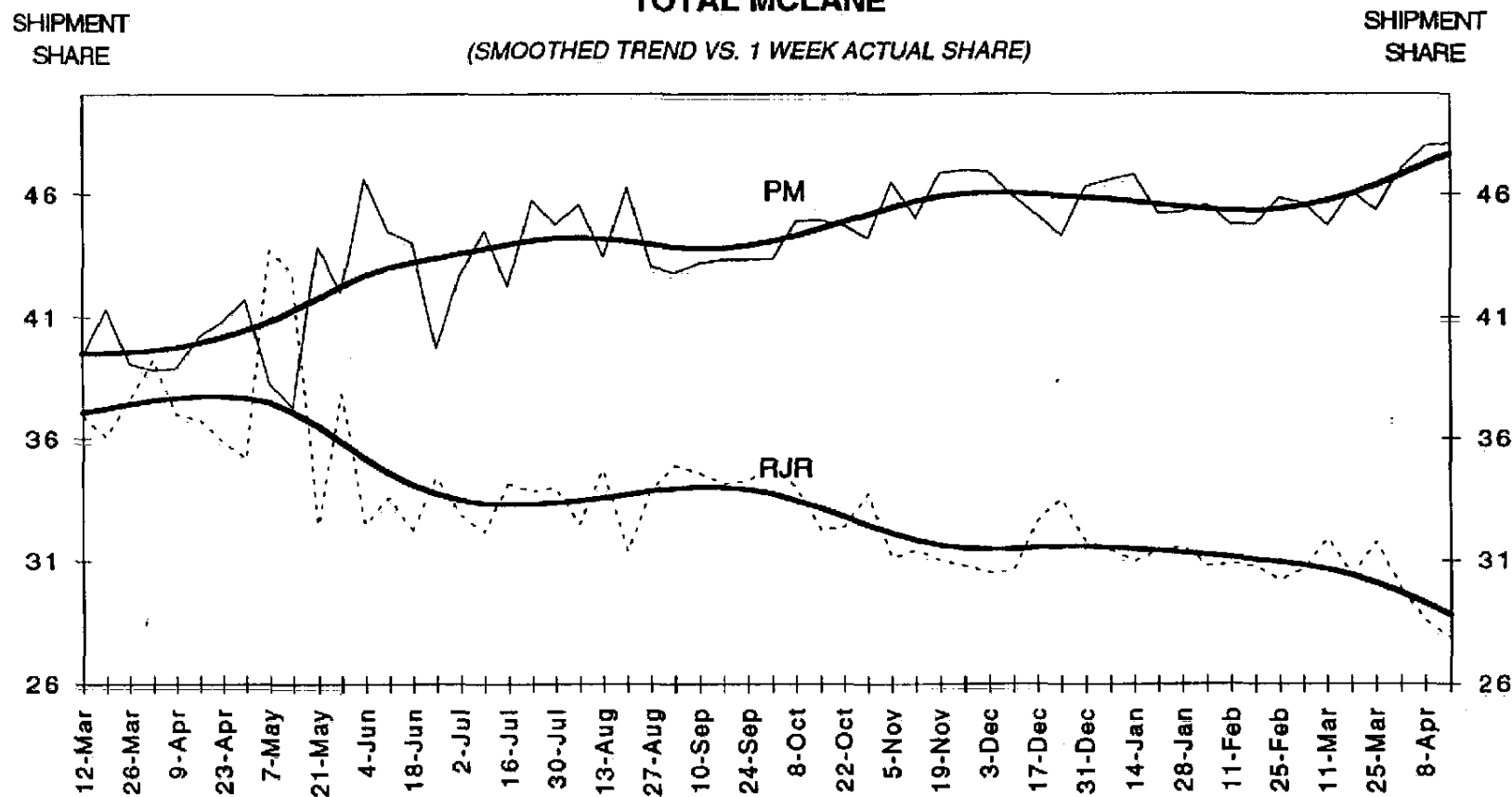
<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>				
4 wk Base August 6,1993	44.57	33.64	12.29	3.76	4.25	1.49				
April 15, 1994 (4wm)	<u>47.06</u>	<u>29.49</u>	<u>11.96</u>	<u>4.59</u>	<u>5.10</u>	<u>1.77</u>				
	2.49	(4.15)	(0.33)	0.83	0.85	0.28				
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>						
4 wk Base August 6,1993	57.86	42.14	33.62	8.52						
April 15, 1994 (4wm)	<u>67.54</u>	<u>32.46</u>	<u>25.33</u>	<u>7.13</u>						
	9.68	(9.68)	(8.29)	(1.39)						
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>					
4 wk Base August 6,1993	24.85	7.14	6.32	0.78	3.06					
April 15, 1994 (4wm)	<u>30.18</u>	<u>8.25</u>	<u>5.81</u>	<u>0.63</u>	<u>4.94</u>					
	5.33	1.11	(0.51)	(0.15)	1.88					
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>					
4 wk Base August 6,1993	2.91	2.95	3.45	1.29	0.52					
April 15, 1994 (4wm)	<u>3.53</u>	<u>3.23</u>	<u>3.58</u>	<u>1.40</u>	<u>0.55</u>					
	0.62	0.28	0.13	0.11	0.03					
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>	
4 wk Base August 6,1993	7.99	1.68	0.33	4.90	0.55	0.65	4.03	3.11	7.01	
April 15, 1994 (4wm)	<u>4.21</u>	<u>1.96</u>	<u>0.41</u>	<u>5.04</u>	<u>0.80</u>	<u>0.95</u>	<u>1.43</u>	<u>1.47</u>	<u>6.53</u>	
	(3.78)	0.28	0.08	0.14	0.25	0.30	(2.60)	(1.64)	(0.48)	
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>						
4 wk Base August 6,1993	2.26	5.52	0.74	0.00						
April 15, 1994 (4wm)	<u>1.82</u>	<u>4.16</u>	<u>1.15</u>	<u>0.00</u>						
	(0.44)	(1.36)	0.41	0.00						

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NOTE: THESE ACCOUNTS ARE PRIMARILY SUPPLIED WITH RJR PRIVATE LABEL PRODUCTS.

PM'S WEEKLY SHARE WAS STABLE WHILE RJR'S SHARE CONTINUED TO DECREASE FOLLOWING HIGH LEVELS OF PROMOTIONAL SHIPMENTS IN RECENT WEEKS.

PM AND RJR WEEKLY SHARES TOTAL MCLANE

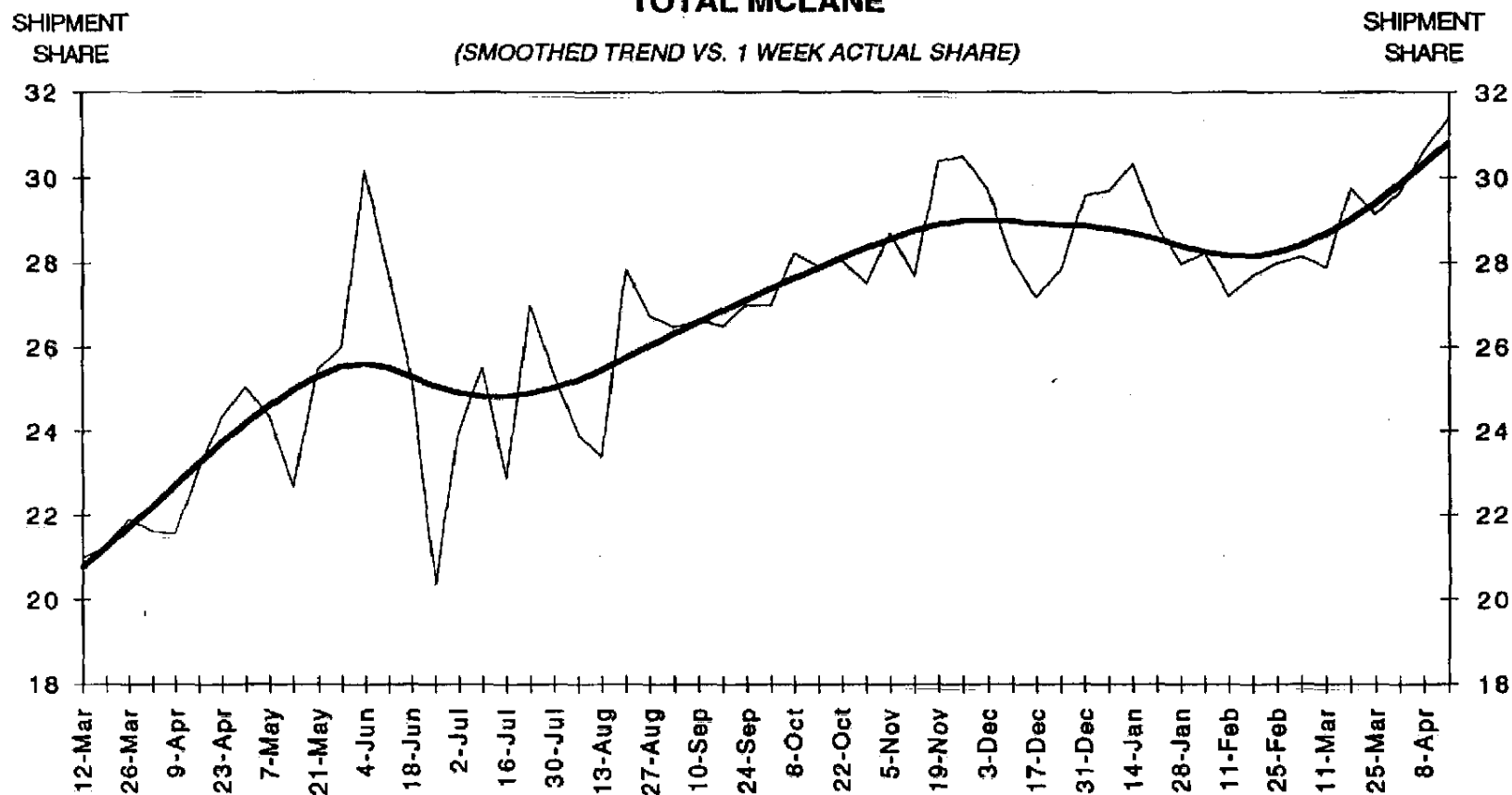


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JMP WEEKLY GRAPHS ver 2 Chart 2

MARLBORO'S SHARE REACHED ITS HIGHEST LEVEL TO DATE, AND HAS INCREASED OVER THE LAST THIRTEEN WEEKS IN BOTH WAL-MART AND C-STORES, UP +1.12 AND +.43 SHARE POINTS, RESPECTIVELY.

MARLBORO WEEKLY SHARE TOTAL MCLANE

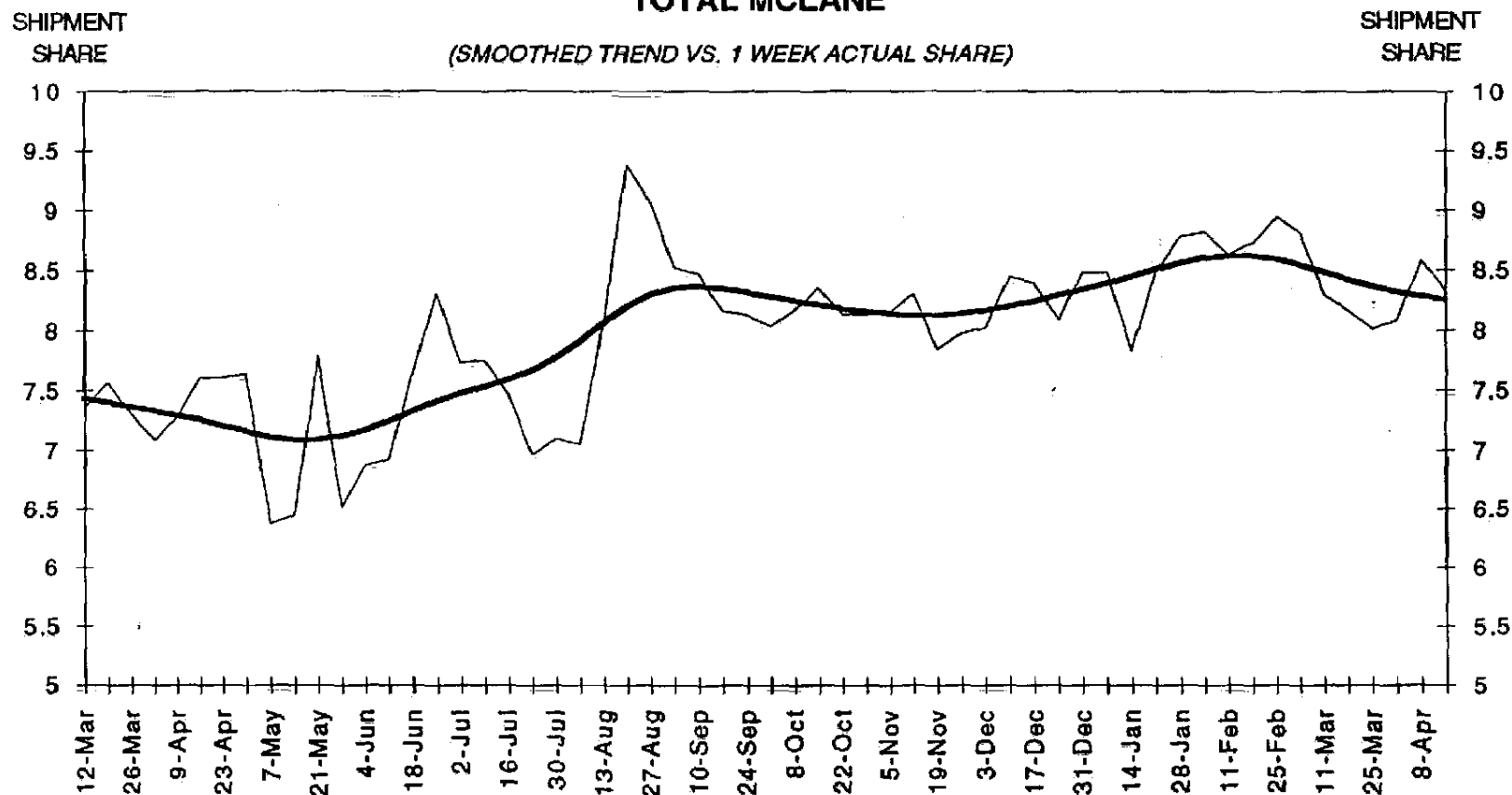


2023656205

JMP WEEKLY GRAPHS ver 2 Chart 4

PM'S OTHER PREMIUM BRANDS' WEEKLY SHARE HAS BEEN DRIVEN BY RECENT VOLUME FLUCTUATIONS AT SAM'S, WHILE C-STORES HAVE STABILIZED.

PREMIUM LESS MARLBORO WEEKLY SHARE TOTAL MCLANE

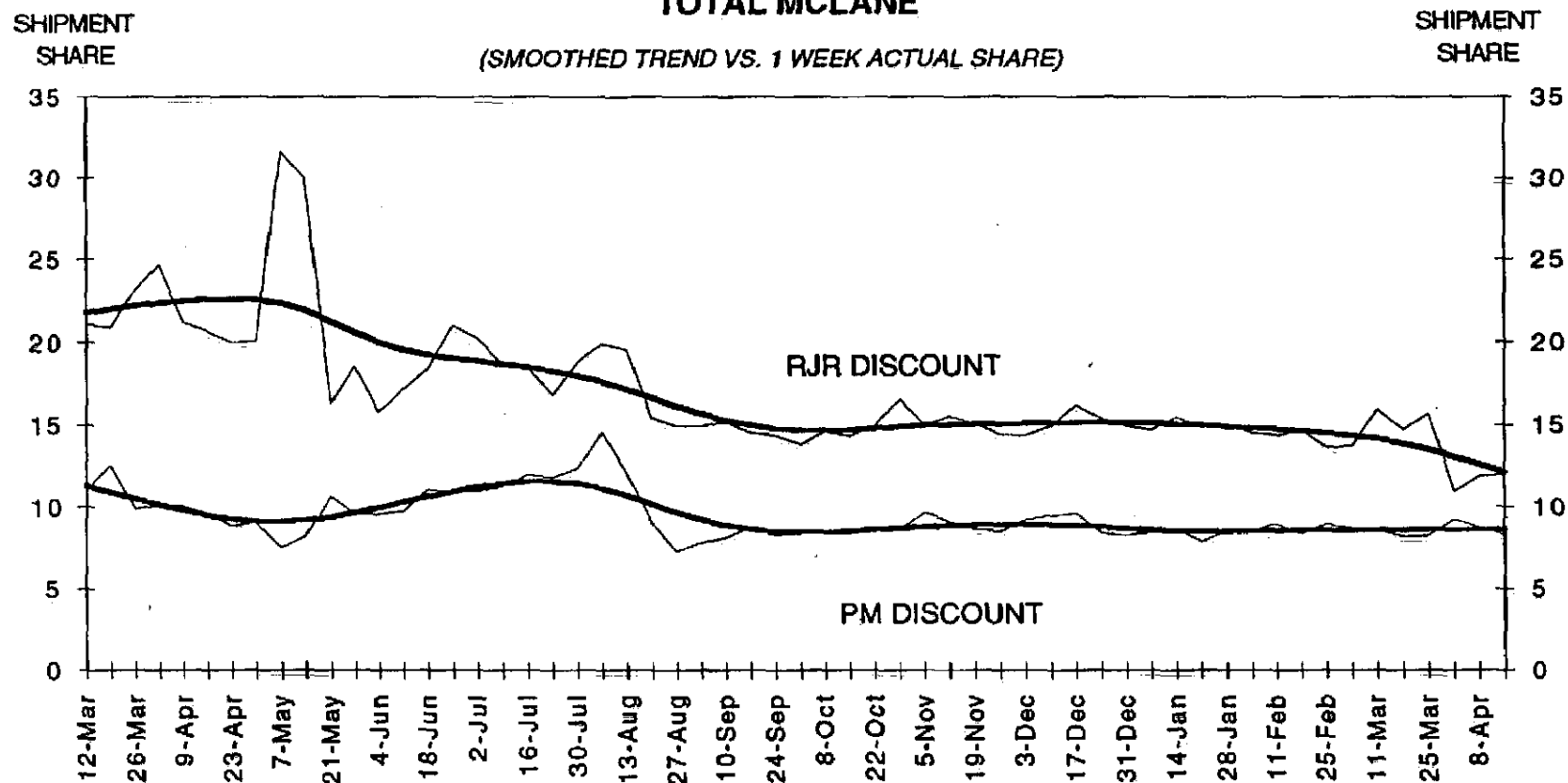


2023556206

JMP WEEKLY GRAPHS ver 2 Chart 5

PM DISCOUNT'S SHARE TREND WAS STABLE FOLLOWING BASIC PROMOTIONAL SHIPMENTS AND PM PL GENERALS IN DAIRY MART. RJR DISCOUNT INCREASED FOLLOWING PAYBACK FROM THE RECENT AUSTIN PROMOTION.

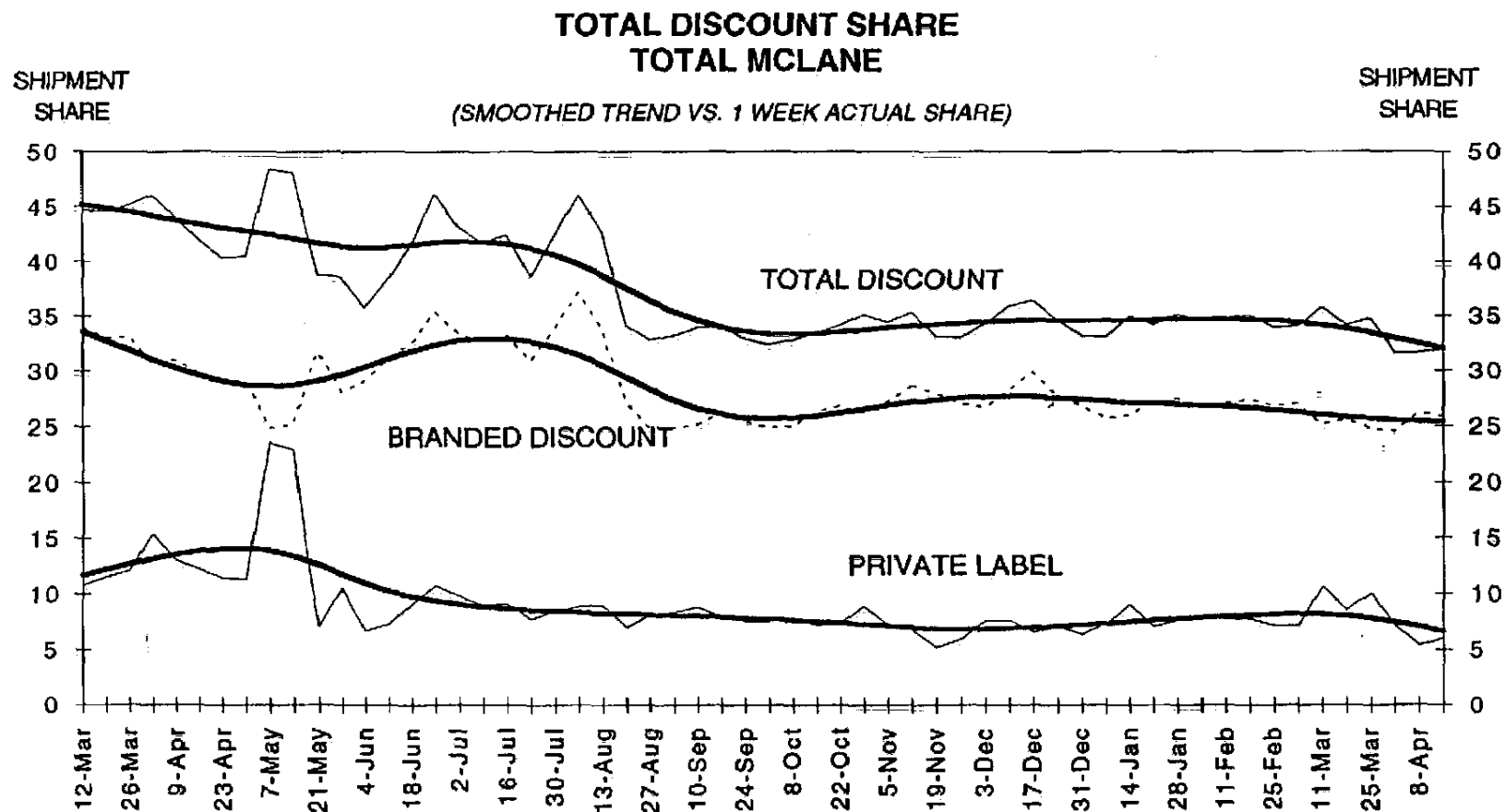
PM AND RJR DISCOUNT SHARE OF INDUSTRY TOTAL MCLANE



2029593207

JMP WEEKLY GRAPHS ver 2 Chart 6

TOTAL DISCOUNT CATEGORY SHARE TREND DECLINE CONTINUED TO REFLECT SOME PAYBACK FOLLOWING STRONG PRIVATE LABEL SHIPMENTS IN RECENT WEEKS.

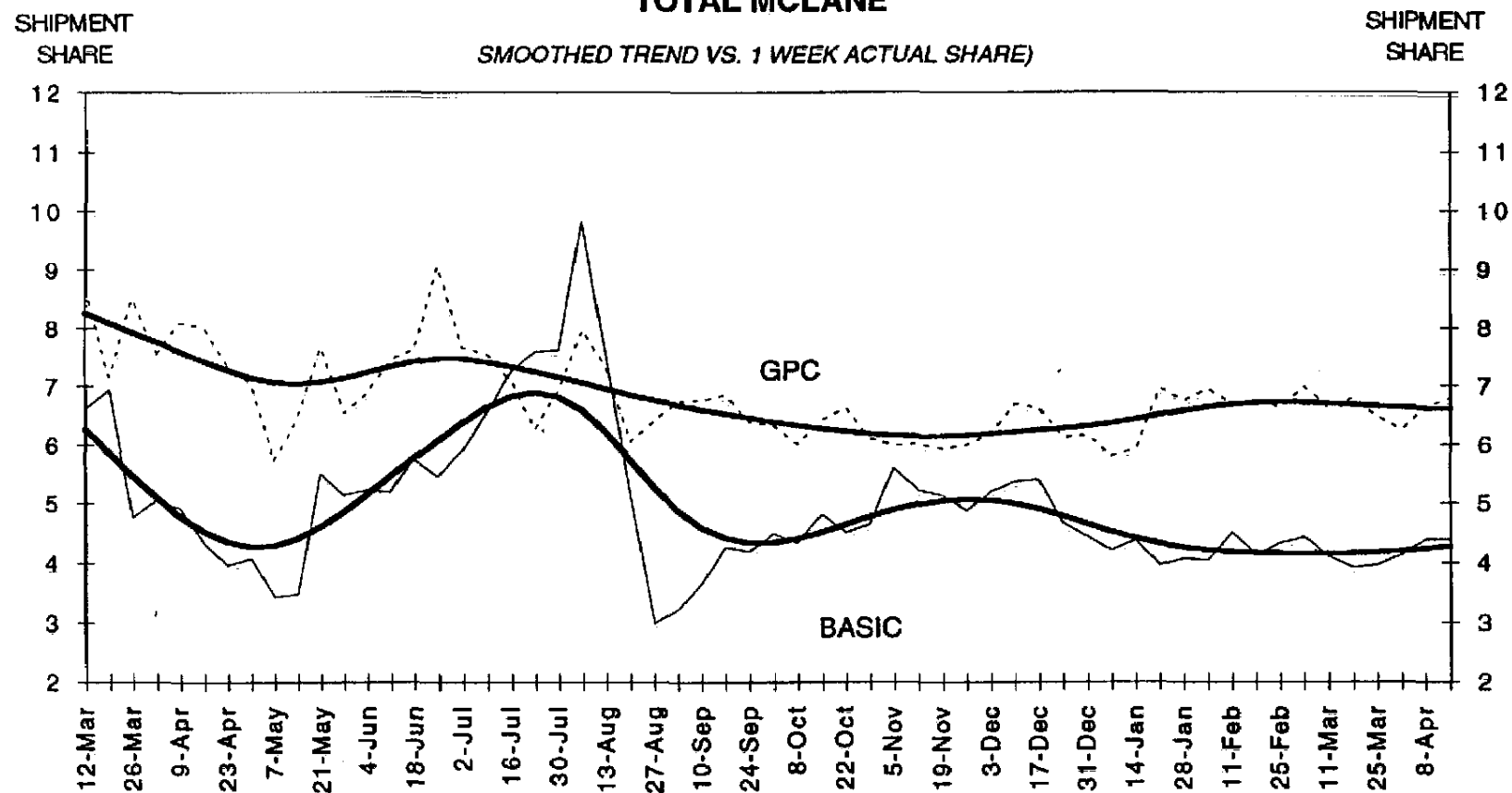


2023656208

JMP WEEKLY GRAPHS ver 2 Chart 7

BASIC AND GPC SHARE TRENDS REMAINED STABLE IN WAL-MART AND C-STORES.
 ADDITIONAL REGION 5 CIRCLE-K STORES RECEIVED BASIC B2G1F PRODUCT THIS WEEK.

BASIC AND GPC SHARE OF INDUSTRY TOTAL MCLANE

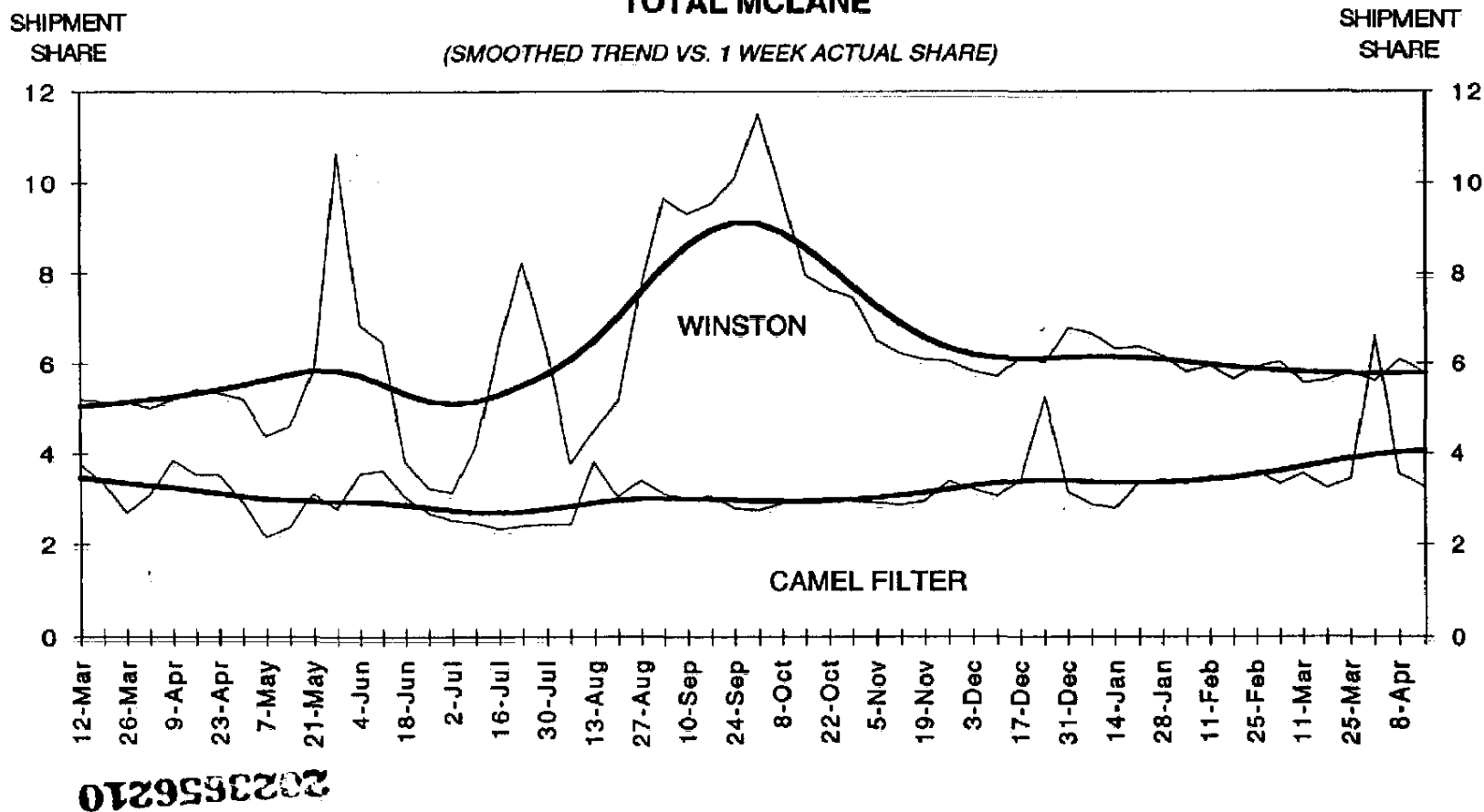


6029593202

JMP WEEKLY GRAPHS ver 2 Chart 8

WINSTON'S VOLUME AND SHARE REMAINED RELATIVELY STABLE. CAMEL HAS NOT EXPERIENCED ANY PAYBACK FOLLOWING THE FORCED SHIPMENT OF PROMOTIONS TO C-STORES 2 WEEKS AGO.

WINSTON AND CAMEL FILTER SHARE OF INDUSTRY TOTAL MCLANE



JMP WEEKLY GRAPHS ver 2 Chart 9

2023656211

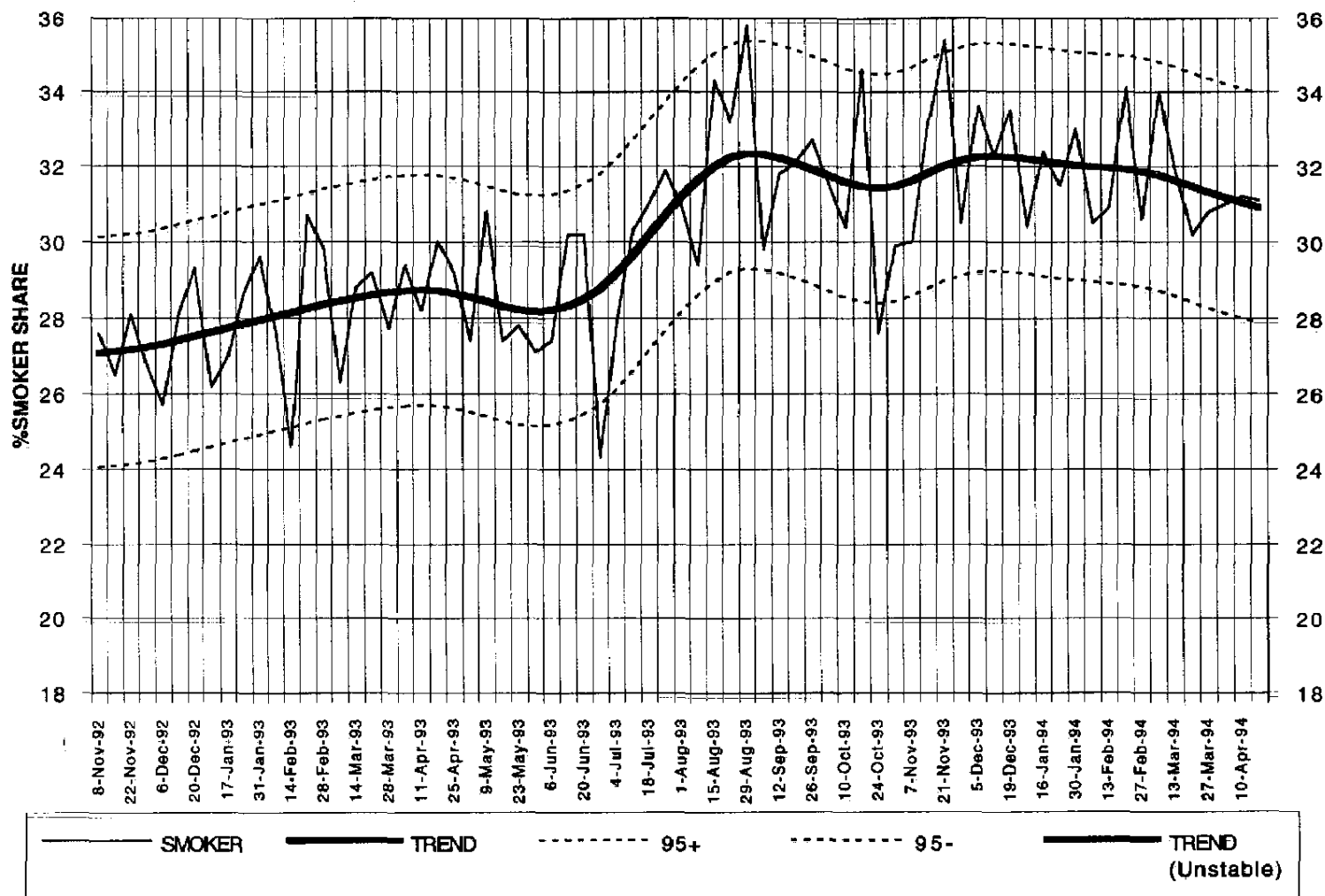
SMOKER SHARE

MARLBORO SMOKER SHARE

- Marlboro's total smoker and volumetric share trends have stabilized, consistent with retail performance.
 - Both consumer and retail measures are near record share levels for Marlboro.
- Marlboro young adult smoker and volumetric share trends are stabilizing.

2023656212

MARLBORO SMOKER SHARE (AMONG TOTAL SMOKERS)



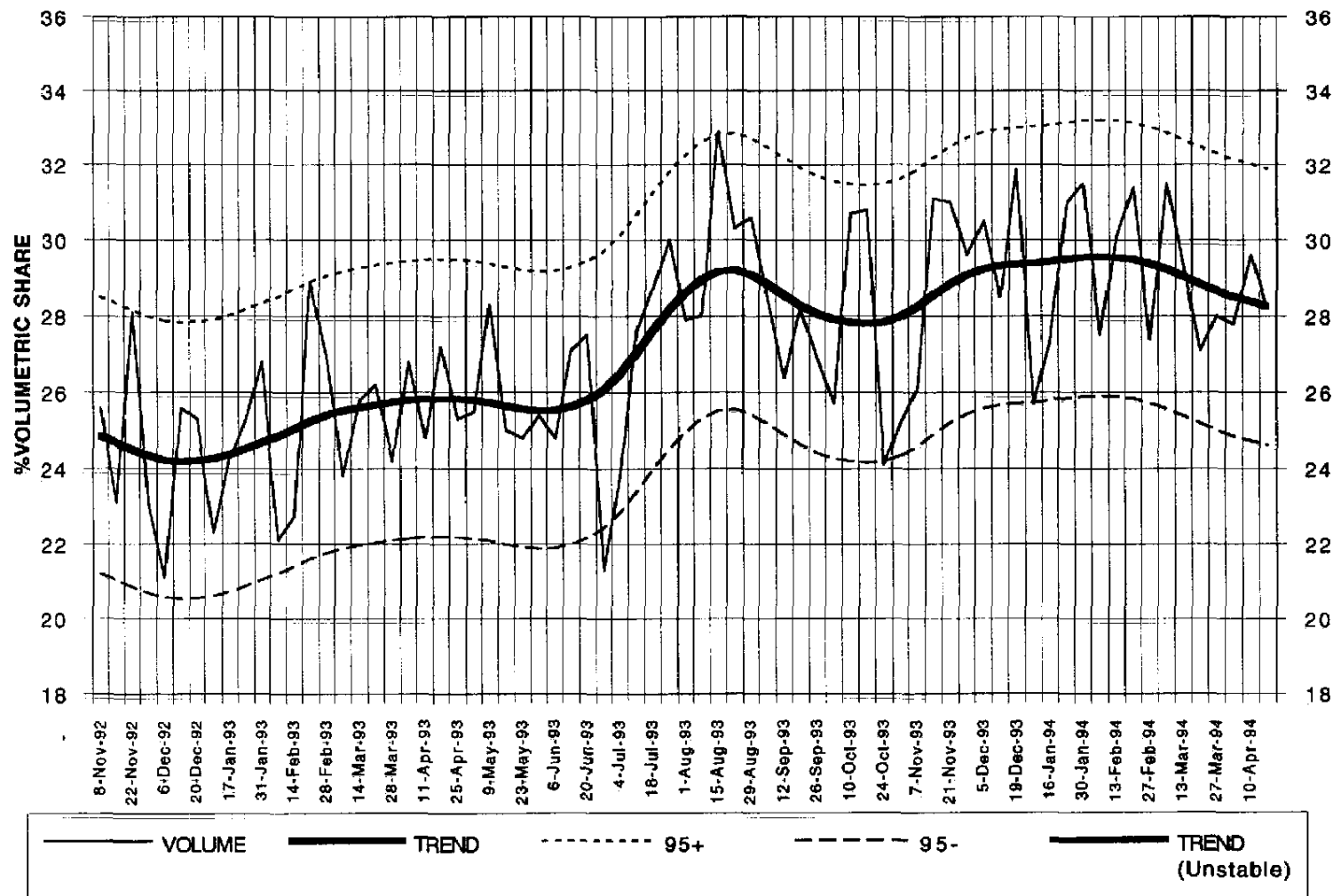
3023656213

SOURCE: SMOKER TRACKING STUDY - WEEKLY

*MARCH AND APRIL '94 REPRESENT TOP LINE DATA

W.SMCK3

MARLBORO VOLUMETRIC SHARE (AMONG TOTAL SMOKERS)



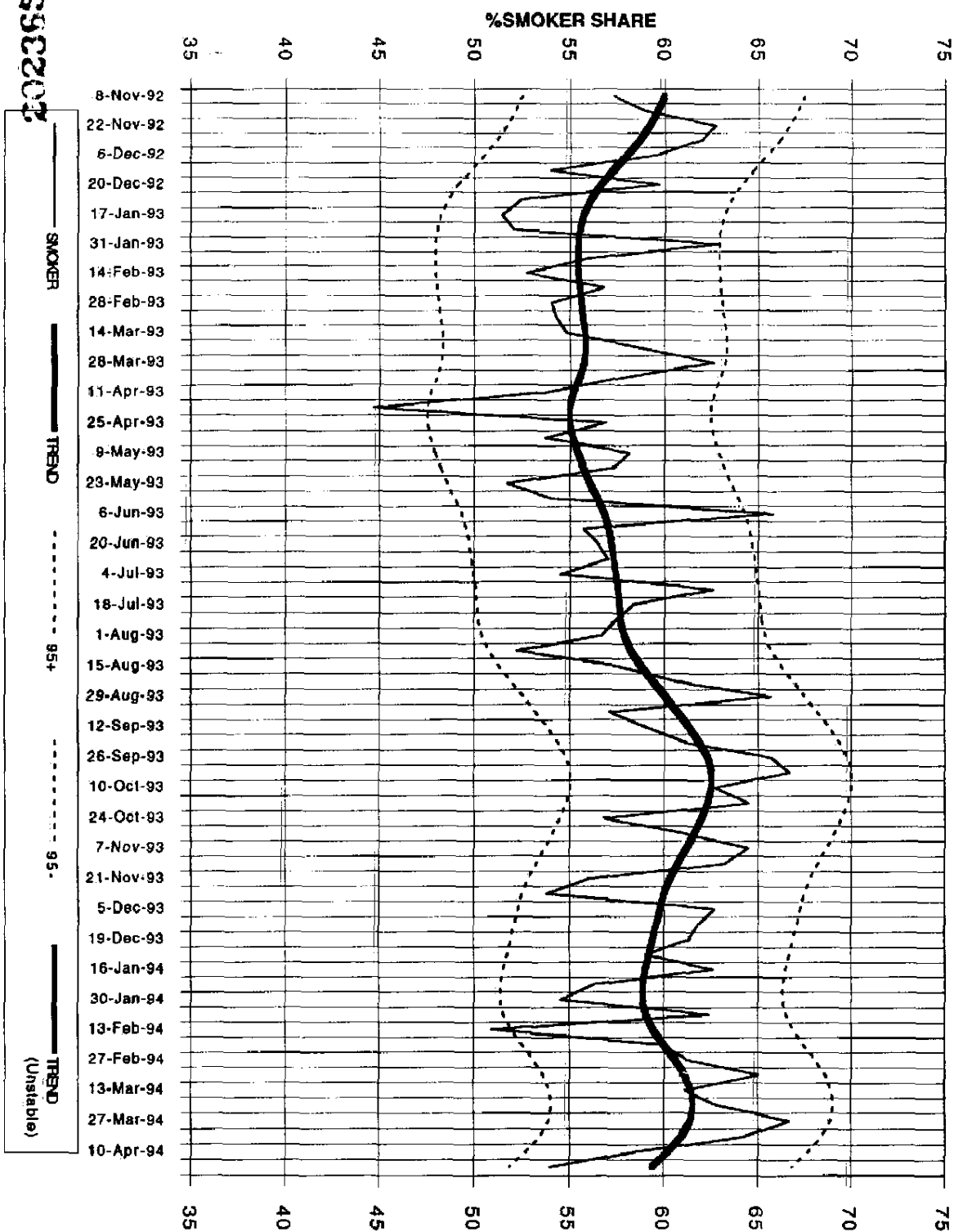
2023656214

SOURCE: VOLUMETRICS - WEEKLY

*MARCH AND APRIL '94 REPRESENT TOP LINE DATA

W.VOL.1

MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)

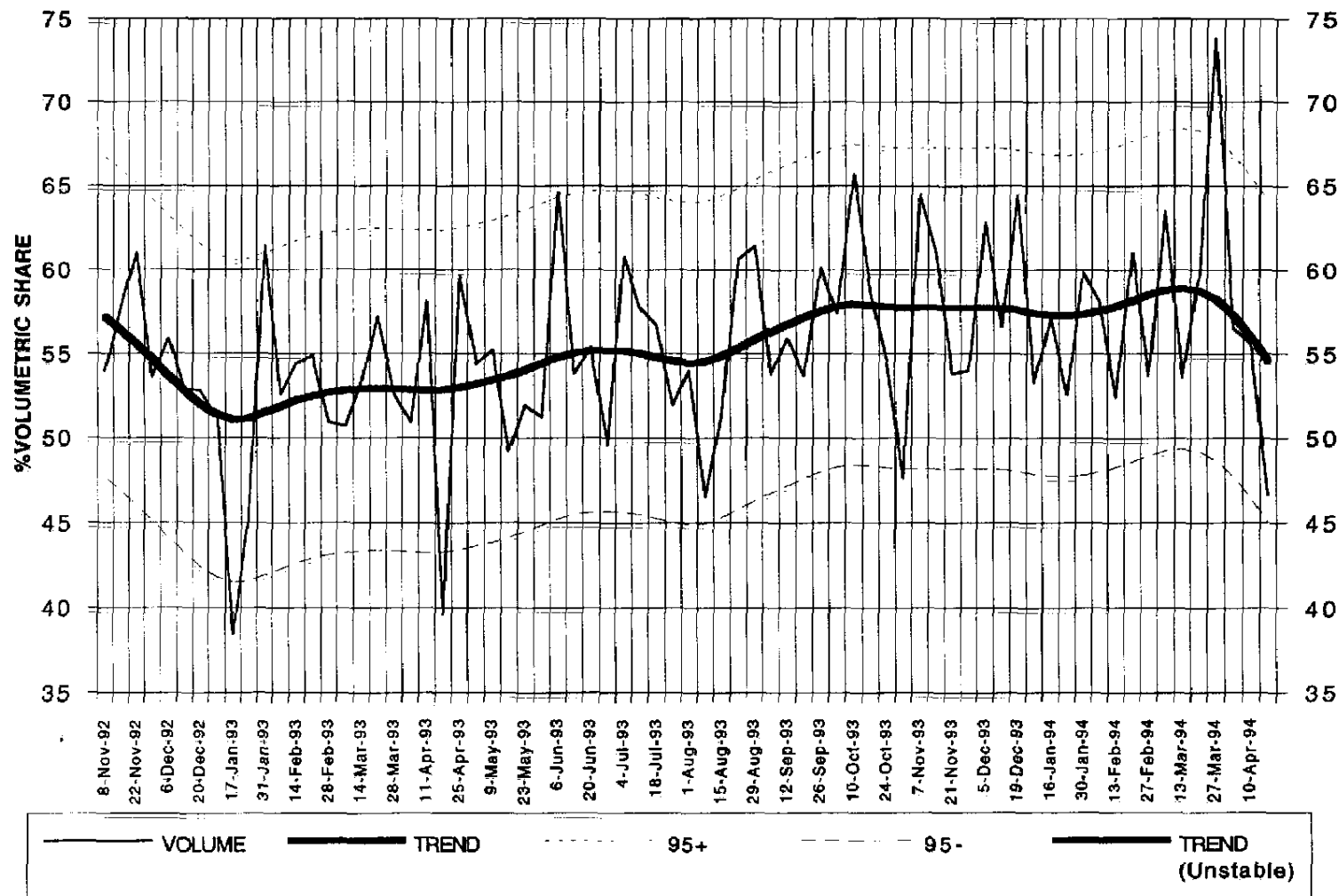


SOURCE: SMOKER TRACKING STUDY - WEEKLY

MARCH AND APRIL '94 REPRESENTS TOP LINE DATA

- W/SMOK. 1994.4

MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)



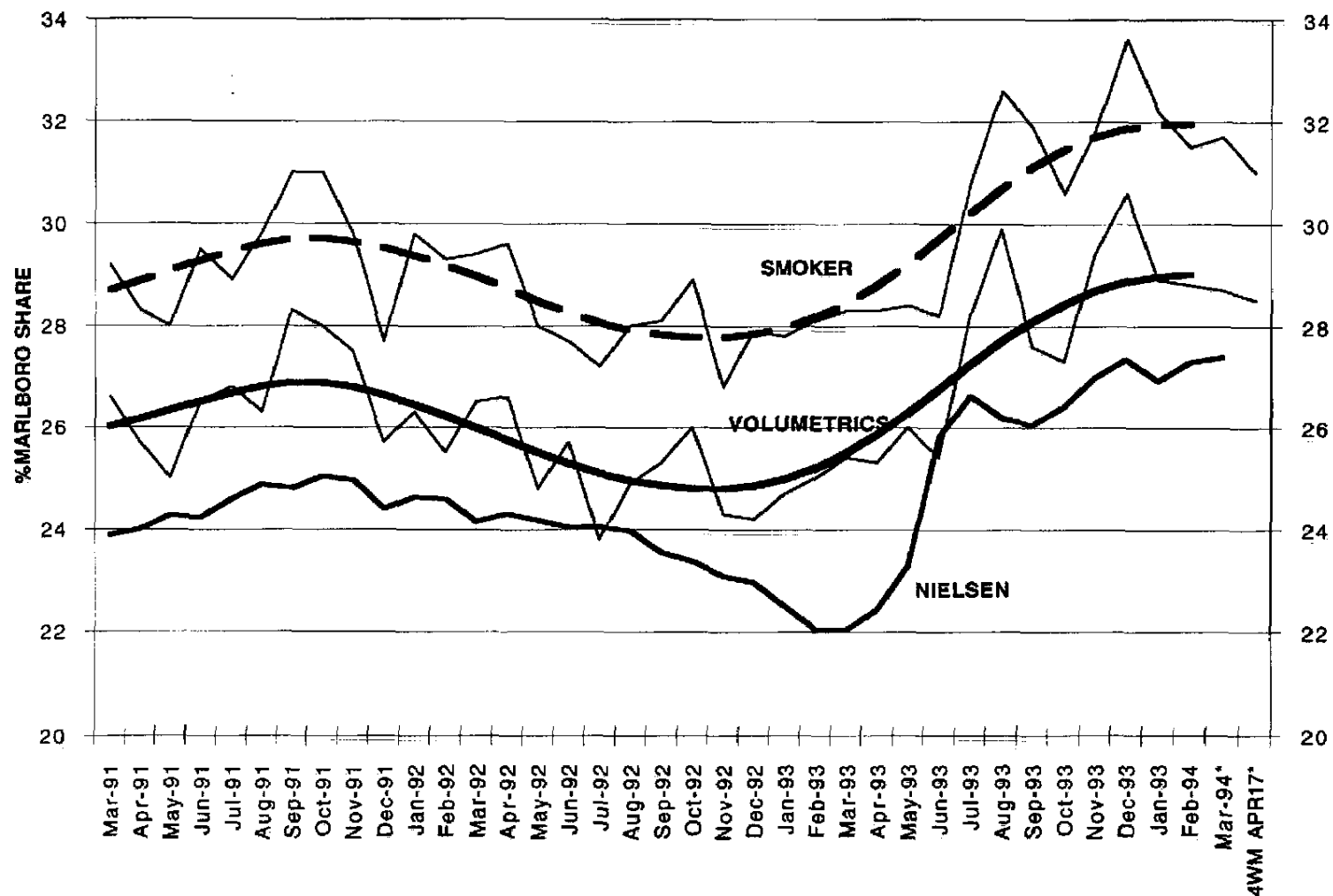
9129598202

SOURCE: VOLUMETRICS - WEEKLY

*MARCH AND APRIL '94 REPRESENT TOP LINE DATA

W.VOL.1824.2

MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG TOTAL SMOKERS) ARE STABILIZED.

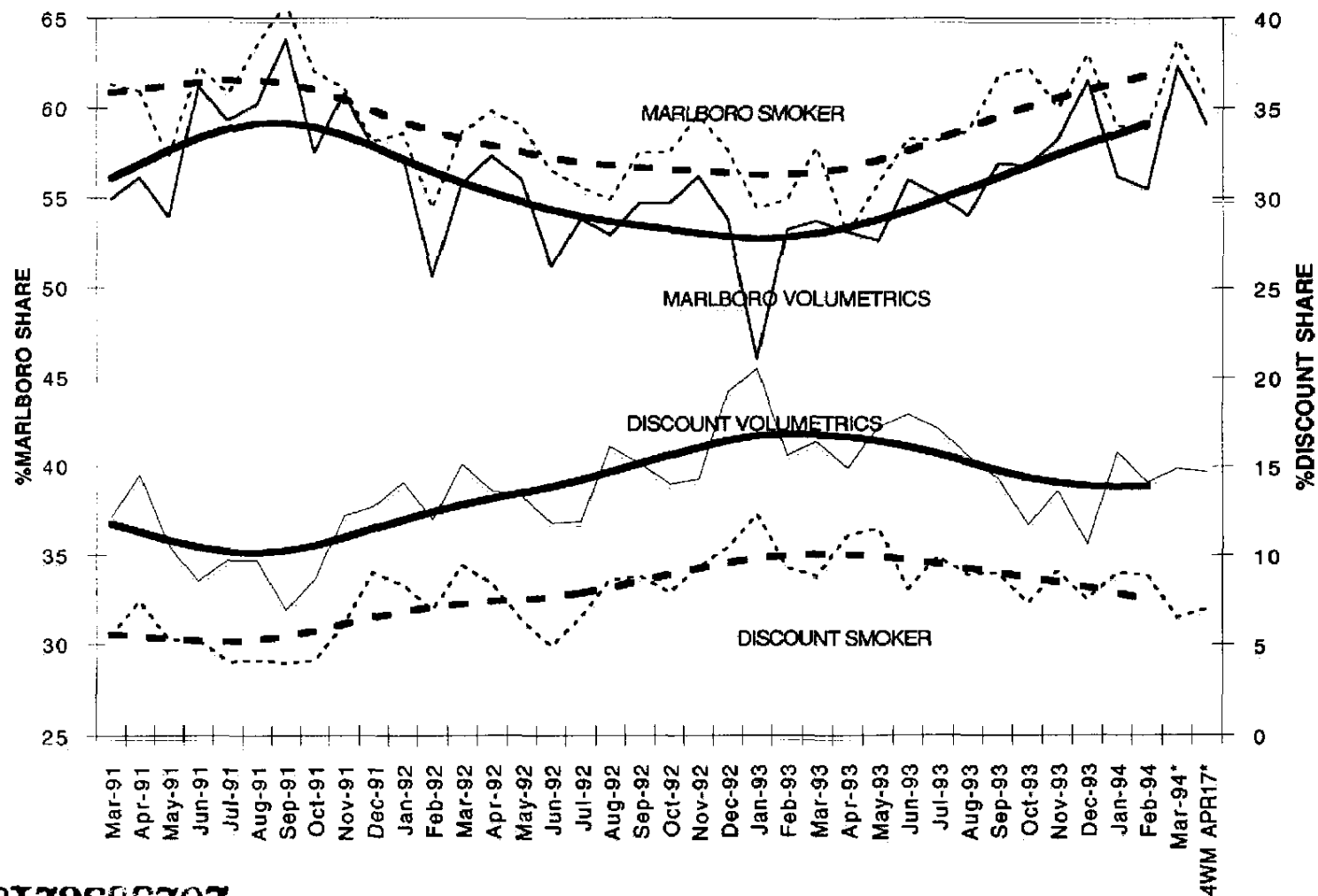


2023556217

SOURCE: CONTINUOUS TRACKING STUDY, NIELSEN - MONTHLY

*MARCH AND APRIL '94 REPRESENT TOP LINE DATA

**MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG 18-24 SMOKERS)
CONTINUE TO INCREASE.**



2023656218

SOURCE: CONTINUOUS SMOKER TRACKING STUDY - 1MM

*MARCH AND APRIL '94 DATA IS TOP LINE

W.MARLB.1624.7

NIELSEN MONTHLY

2023656219

COMPETITIVE ALL OUTLET COMBINED PERFORMANCE
MONTHLY INTEGRATED NIELSEN - MARCH 1994

- RJR experienced its sixth monthly share decline in the last seven periods, down -0.3 points versus month-ago and -3.0 points since August 1993 to 29.5%, as month-to-month losses by Winston, Monarch and RJR's Private Label brands more than offset Doral and Camel gains.
- Winston's share declined -0.2 points versus month-ago to 6.0%, its lowest share level since June 1993.
- The Discount category declined -0.1 points versus month-ago to 32.5%, as Branded Discount losses (-0.2 points) were partially offset by Private Label gains.
- American realized its third consecutive monthly share gain, advancing +0.1 points versus month-ago and +0.4 points since December 1993 to 6.3%, with Montclair accounting for the majority of this growth (up +0.3 points since 12/93).
- Lorillard posted its fifth monthly share gain since PRP of +1.0 points to 6.4. Performance was driven by Newport (+0.7), benefitting from recent increased promotional support, reaching 21% of C-stores offering money off deals.

022959E202

Philip Morris USA

Monthly Integrated Nielsen

PM ALL OUTLET COMBINED PERFORMANCE MONTHLY INTEGRATED NIELSEN - MARCH 1994

	<u>Total PM</u>	<u>Marlboro</u>	<u>Other PM Prem</u>	<u>PM Discount</u>	<u>PM Prvt Label</u>	<u>PM Brd Disc</u>
July 93	45.5	26.6	8.3	10.6	2.8	7.8
Aug 93	44.8	26.2	8.3	10.3	2.6	7.7
Sept 93	44.3	26.1	8.6	9.7	2.1	7.5
Oct 93	44.5	26.4	8.8	9.3	2.0	7.3
Nov 93	45.1	27.0	8.9	9.2	1.9	7.2
Dec 93	45.5	27.4	9.1	9.0	1.9	7.2
Jan 94	45.1	26.9	9.2	9.0	1.7	7.3
Feb 94	45.5	27.3	9.1	9.2	1.8	7.4
Mar 94	45.6	27.4	9.1	9.1	1.8	7.3

- All PM benchmarks are favorable except Basic's SOC.
- PM posted a +0.1 point gain versus month-ago to 45.6%, its highest level to date, with all of the gain driven by Marlboro.
- Marlboro experienced its fifth month-to-month increase over the last six periods, up +5.4 points in one year to 27.4.
- PM's Other Premium Brands were relatively stable versus month-ago 9.1%.
- PM Discount brand's share was unchanged versus month-ago at 9.1%, with Basic's loss offsetting PM Private Labels' gains.

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**BENCHMARKS - TOTAL US
MONTHLY INTEGRATED NIELSEN**

	<u>Target</u>	<u>Benchmarks*</u>	<u>Mar-94</u>	<u>Current vs. Benchmark</u>
Philip Morris	44.2	44.5 (lower limit)	45.6	1.1 Favorable
Marlboro	25.7	26.3 (lower limit)	27.4	1.1 Favorable
OPB	8.8	8.9 (lower limit)	9.1	0.2 Favorable
Virginia Slims	2.7	2.7 (lower limit)	2.9	0.2 Favorable
Benson & Hedges	2.5	2.5 (lower limit)	2.6	0.1 Favorable
Merit	2.8	2.8 (lower limit)	2.9	0.1 Favorable
Parliament	0.6	0.6 (lower limit)	0.6	0.0 Favorable
Basic Shr. of Disc. (SOC)	15.1	14.5 (lower limit)	14.2	0.2 Unfavorable
Discount Category	34.5	+2.0 Pts. (upper limit)**	32.5	2.0 Favorable
Private Label	8.5	9.0 (upper limit)	7.8	1.2 Favorable

* Revised to reflect 1994 First Revised Forecast.

** Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.5%.

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Nlsn INT monthly bench rev

NIELSEN MONTHLY DATA
(Integrated Panel)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>				
Base March 1993	41.63	33.58	10.70	5.93	5.73	2.31				
March 1994	<u>45.64</u>	<u>29.46</u>	<u>10.04</u>	<u>6.28</u>	<u>6.40</u>	<u>2.02</u>				
	4.01	(4.12)	(0.66)	0.35	0.67	(0.29)				
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>						
Base March 1993	61.96	37.70	28.36	9.35						
March 1994	<u>67.39</u>	<u>32.49</u>	<u>24.67</u>	<u>7.83</u>						
	5.43	(5.21)	(3.69)	(1.52)						
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>					
Base March 1993	22.04	9.06	5.61	0.43	3.82					
March 1994	<u>27.39</u>	<u>9.12</u>	<u>5.97</u>	<u>0.92</u>	<u>4.25</u>					
	5.35	0.06	0.36	0.49	0.43					
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>					
Base March 1993	3.24	3.27	4.22	1.73	0.80					
March 1994	<u>3.90</u>	<u>3.09</u>	<u>3.96</u>	<u>1.45</u>	<u>0.66</u>					
	0.66	(0.18)	(0.26)	(0.28)	(0.14)					
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>	
Base March 1993	4.00	2.25	0.52	4.27	0.88	0.93	2.81	3.51	4.48	
March 1994	<u>4.62</u>	<u>1.84</u>	<u>0.43</u>	<u>4.68</u>	<u>1.03</u>	<u>1.14</u>	<u>2.03</u>	<u>1.19</u>	<u>4.42</u>	
	0.62	(0.41)	(0.09)	0.41	0.15	0.21	(0.78)	(2.32)	(0.05)	
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>						
Base March 1993	2.96	4.74	1.22	0.43						
March 1994	<u>1.84</u>	<u>4.06</u>	<u>1.11</u>	<u>0.82</u>						
	(1.12)	(0.68)	(0.11)	0.39						

NOTE: In the Integrated Nielsen panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

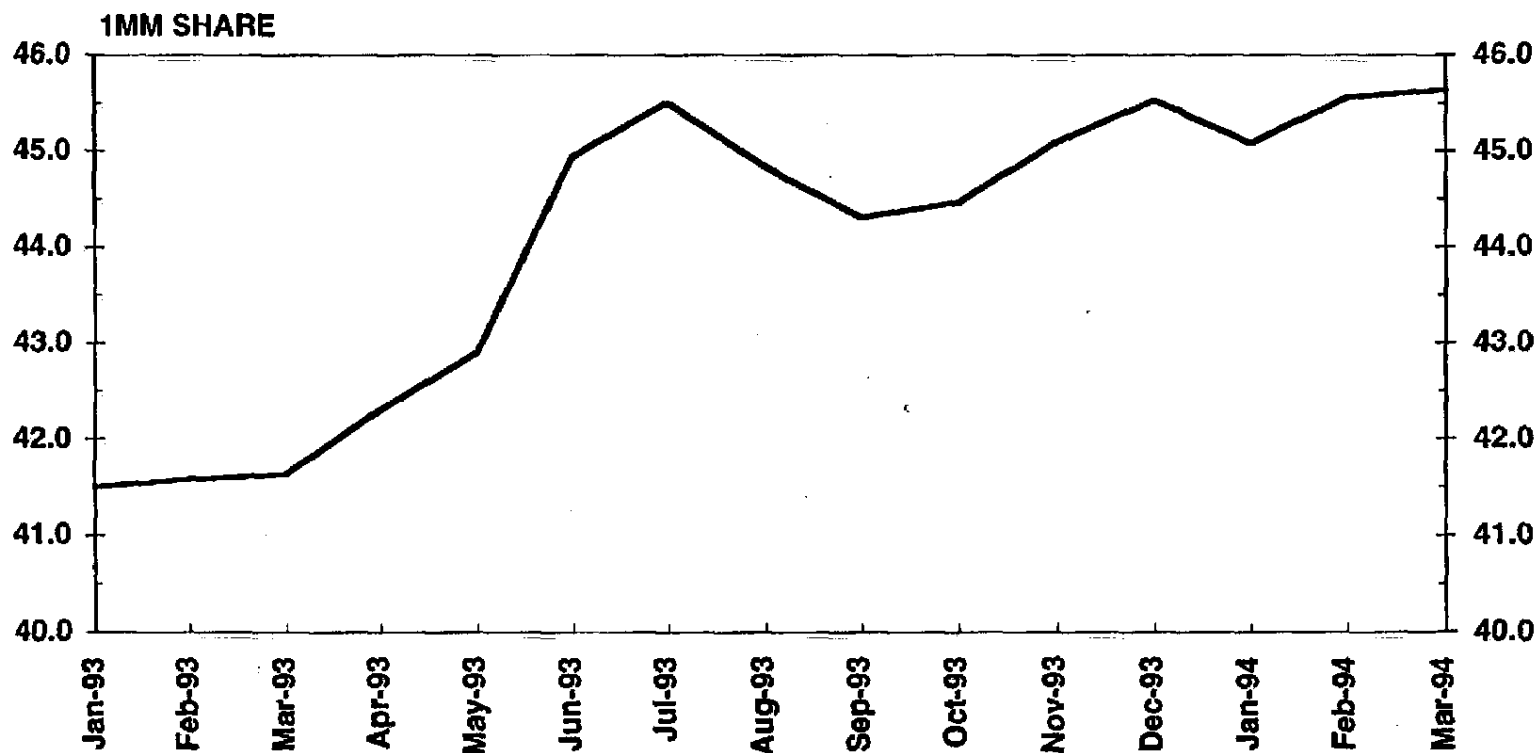
NIELSEN MONTHLY DATA
(Integrated Panel)

<u>COMPANY</u>	<u>PM</u>	<u>RJR</u>	<u>B&W</u>	<u>American</u>	<u>Lorillard</u>	<u>Liggett</u>				
Base July 1993	45.50	31.87	9.81	5.50	5.38	1.83				
March 1994	<u>45.64</u>	<u>29.46</u>	<u>10.04</u>	<u>6.28</u>	<u>6.40</u>	<u>2.02</u>				
	0.15	(2.41)	0.23	0.78	1.02	0.20				
<u>CATEGORY</u>	<u>Premium</u>	<u>Discount</u>	<u>Branded Discount</u>	<u>Private Label</u>						
Base July 1993	64.54	35.31	26.41	8.90						
March 1994	<u>67.39</u>	<u>32.49</u>	<u>24.67</u>	<u>7.83</u>						
	2.85	(2.82)	(1.74)	(1.07)						
<u>MAJOR BRANDS</u>	<u>Marlboro</u>	<u>PM OPB</u>	<u>Winston</u>	<u>Select</u>	<u>Camel</u>					
Base July 1993	26.63	8.30	6.10	0.58	3.89					
March 1994	<u>27.39</u>	<u>9.12</u>	<u>5.97</u>	<u>0.92</u>	<u>4.25</u>					
	0.77	0.82	(0.13)	0.34	0.37					
<u>MAJOR BRANDS</u>	<u>Newport</u>	<u>Kool</u>	<u>Salem</u>	<u>Vantage</u>	<u>Now</u>					
Base July 1993	3.17	3.01	3.91	1.49	0.68					
March 1994	<u>3.90</u>	<u>3.09</u>	<u>3.96</u>	<u>1.45</u>	<u>0.66</u>					
	0.73	0.08	0.05	(0.04)	(0.02)					
<u>BRANDED DISCOUNTS</u>	<u>Basic</u>	<u>Cambridge</u>	<u>Alpine</u>	<u>Doral</u>	<u>Misty</u>	<u>Montclair</u>	<u>Monarch</u>	<u>Best Value</u>	<u>GPC</u>	
Base July 1993	4.95	1.94	0.44	4.66	0.83	0.83	2.43	2.27	4.13	
March 1994	<u>4.62</u>	<u>1.84</u>	<u>0.43</u>	<u>4.68</u>	<u>1.03</u>	<u>1.14</u>	<u>2.03</u>	<u>1.19</u>	<u>4.42</u>	
	(0.33)	(0.10)	(0.01)	0.02	0.20	0.32	(0.40)	(1.08)	0.29	
<u>PRIVATE LABEL</u>	<u>PM</u>	<u>RJR</u>	<u>Liggett</u>	<u>American</u>						
Base July 1993	2.75	4.63	0.97	0.55						
March 1994	<u>1.84</u>	<u>4.06</u>	<u>1.11</u>	<u>0.82</u>						
	(0.91)	(0.57)	0.14	0.27						

NOTE: In the Integrated Nielsen panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

PM'S SHARE ADVANCED +0.1 POINTS VERSUS MONTH-AGO TO 45.6%, ITS HIGHEST RETAIL SHARE TO DATE, WITH MARLBORO ACCOUNTING FOR ALL OF THE GAIN.

PHILIP MORRIS MONTHLY CONSUMER SHARE



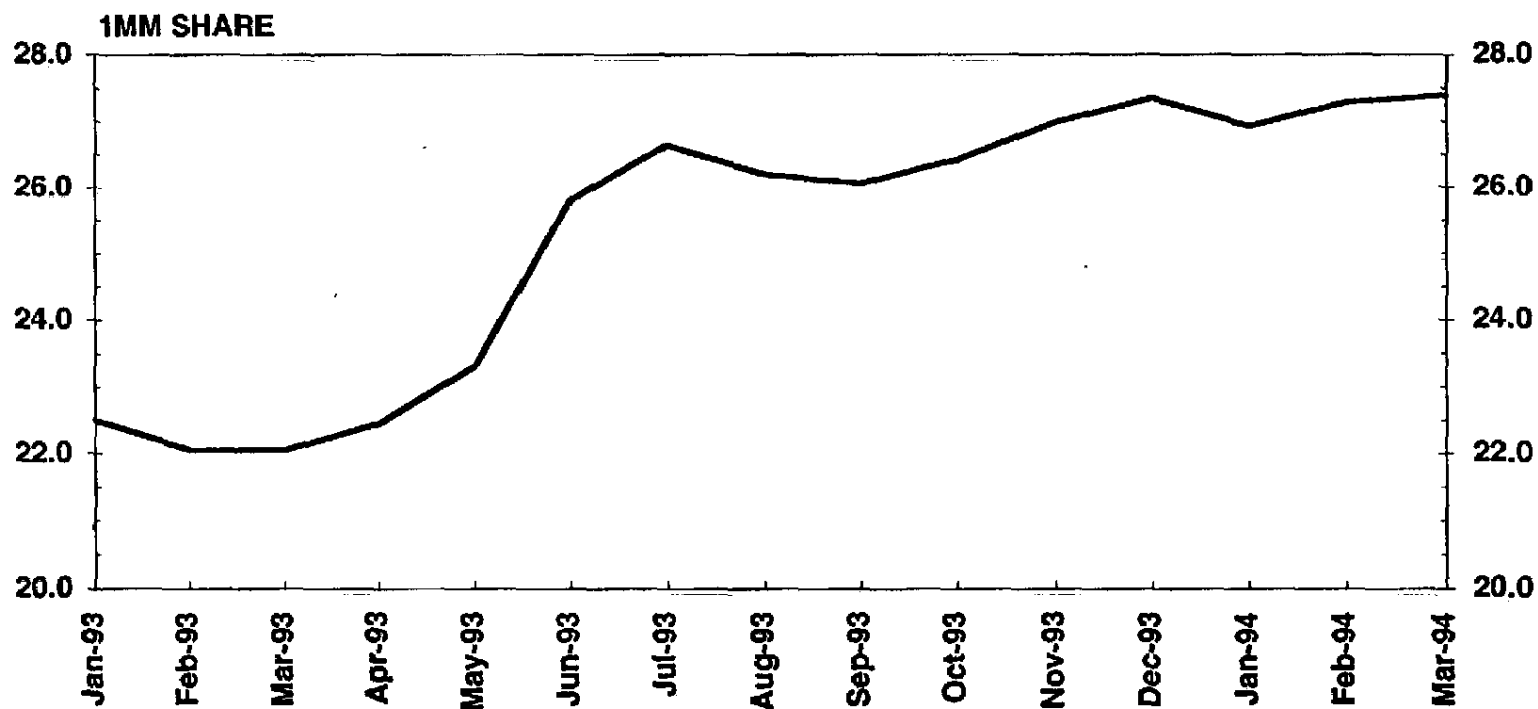
SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 1

MARLBORO REALIZED ITS FIFTH MONTHLY SHARE GAIN IN THE LAST SIX PERIODS, INCREASING +0.1 POINTS VERSUS MONTH-AGO TO 27.4%, ITS HIGHEST SHARE LEVEL TO DATE.

MARLBORO MONTHLY CONSUMER SHARE



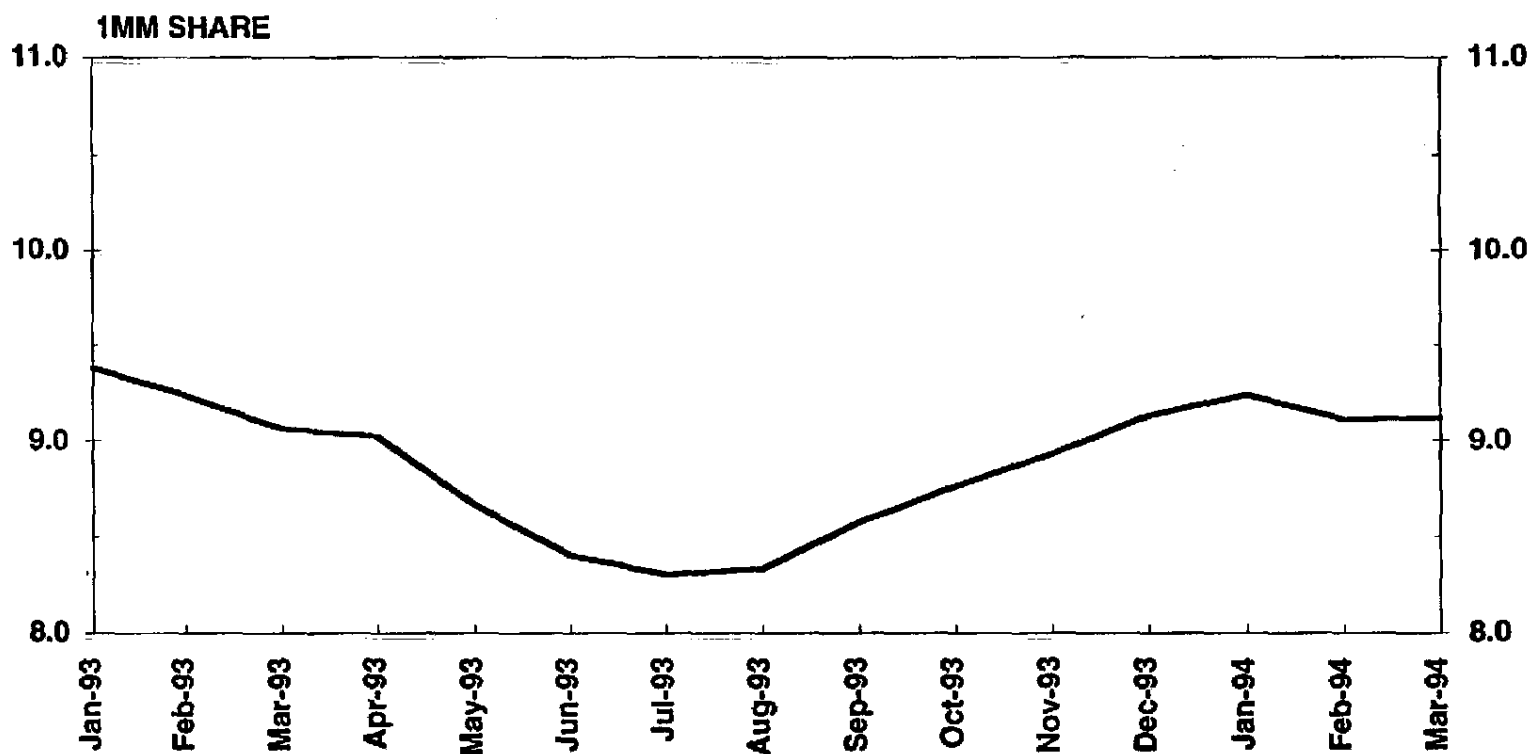
SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 2

PM'S OTHER PREMIUM BRANDS WERE UNCHANGED VERSUS MONTH-AGO AT 9.1%.

OTHER PREMIUM BRANDS MONTHLY CONSUMER SHARE



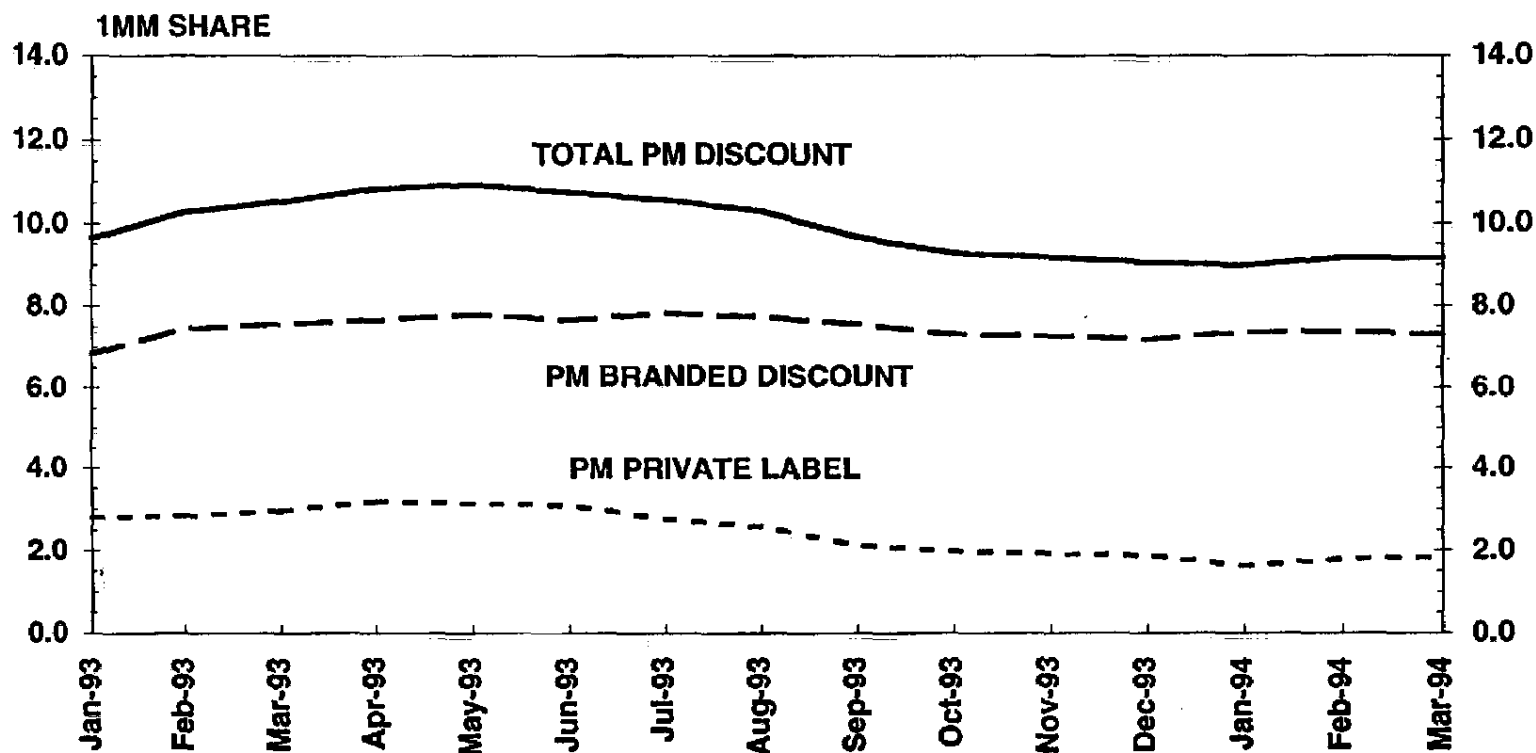
SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 3

PM's DISCOUNT SHARE WAS RELATIVELY STABLE VERSUS MONTH-AGO AT 9.1%,
WITH BASIC'S -0.1 POINT LOSS OFFSETTING PM PL'S GAINS.

PM DISCOUNT MONTHLY CONSUMER SHARE



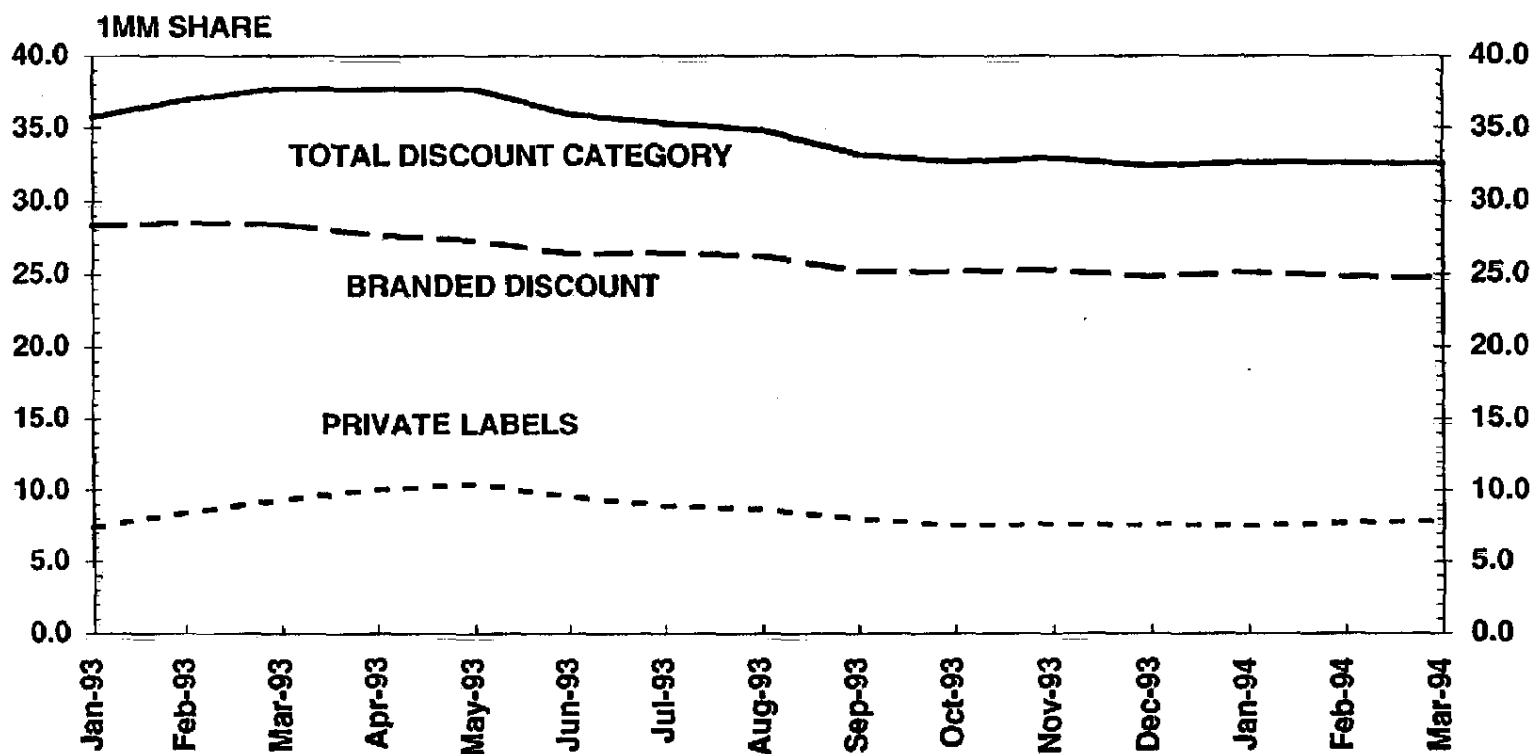
SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 22

THE DISCOUNT CATEGORY'S SHARE DECLINED -0.1 POINTS VERSUS MONTH-AGO TO 32.5%, WITH BRANDED DISCOUNT LOSSES (-0.2 POINTS) MORE THAN OFFSETTING PRIVATE LABEL GAINS.

TOTAL DISCOUNT CATEGORY MONTHLY CONSUMER SHARE



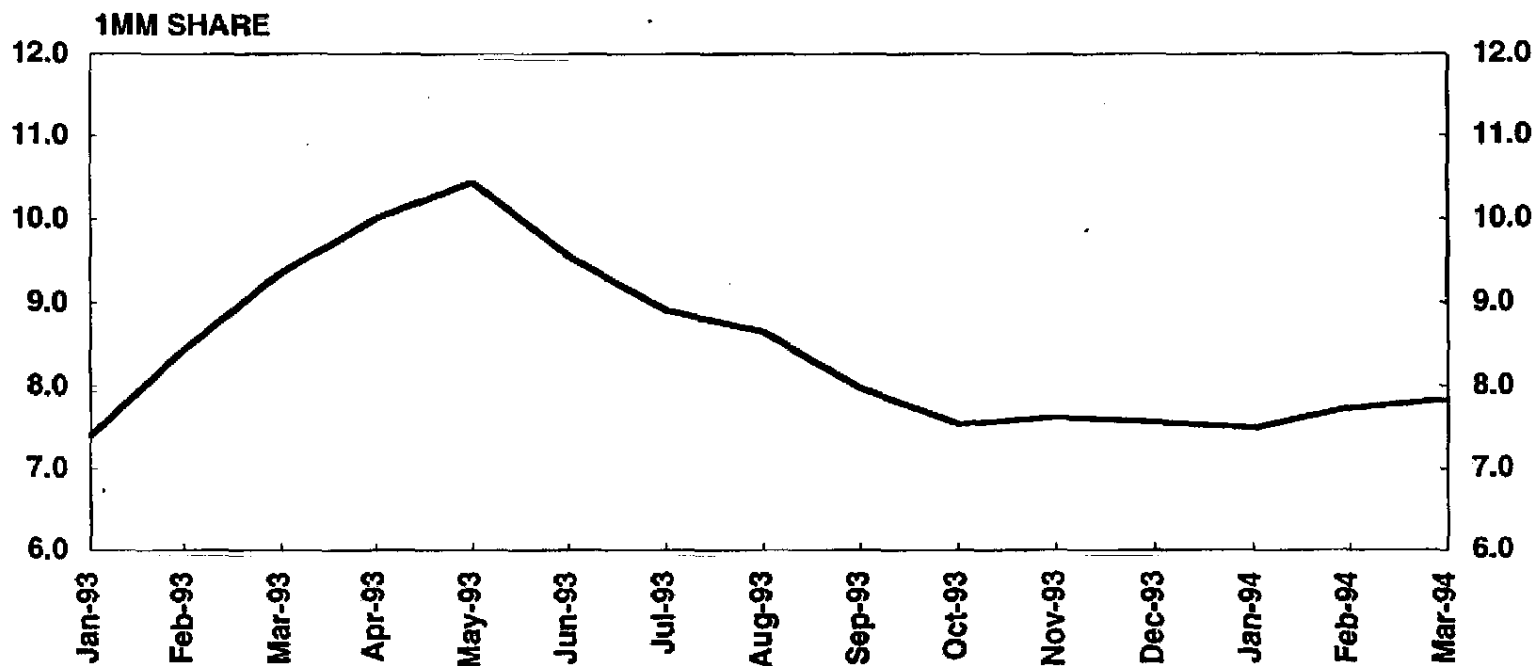
SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 23

THE PRIVATE LABEL SEGMENT GAINED +0.1 POINTS VERSUS MONTH-AGO AND +0.3 POINTS OVER THE LAST TWO MONTHS TO 7.8%. LIGGETT AND PM EXPERIENCED MONTH-TO-MONTH ADVANCES OF +0.2 AND +0.1 POINTS RESPECTIVELY, WHILE RJR'S PL'S DECLINED -0.2 POINTS.

PRIVATE LABELS MONTHLY CONSUMER SHARE



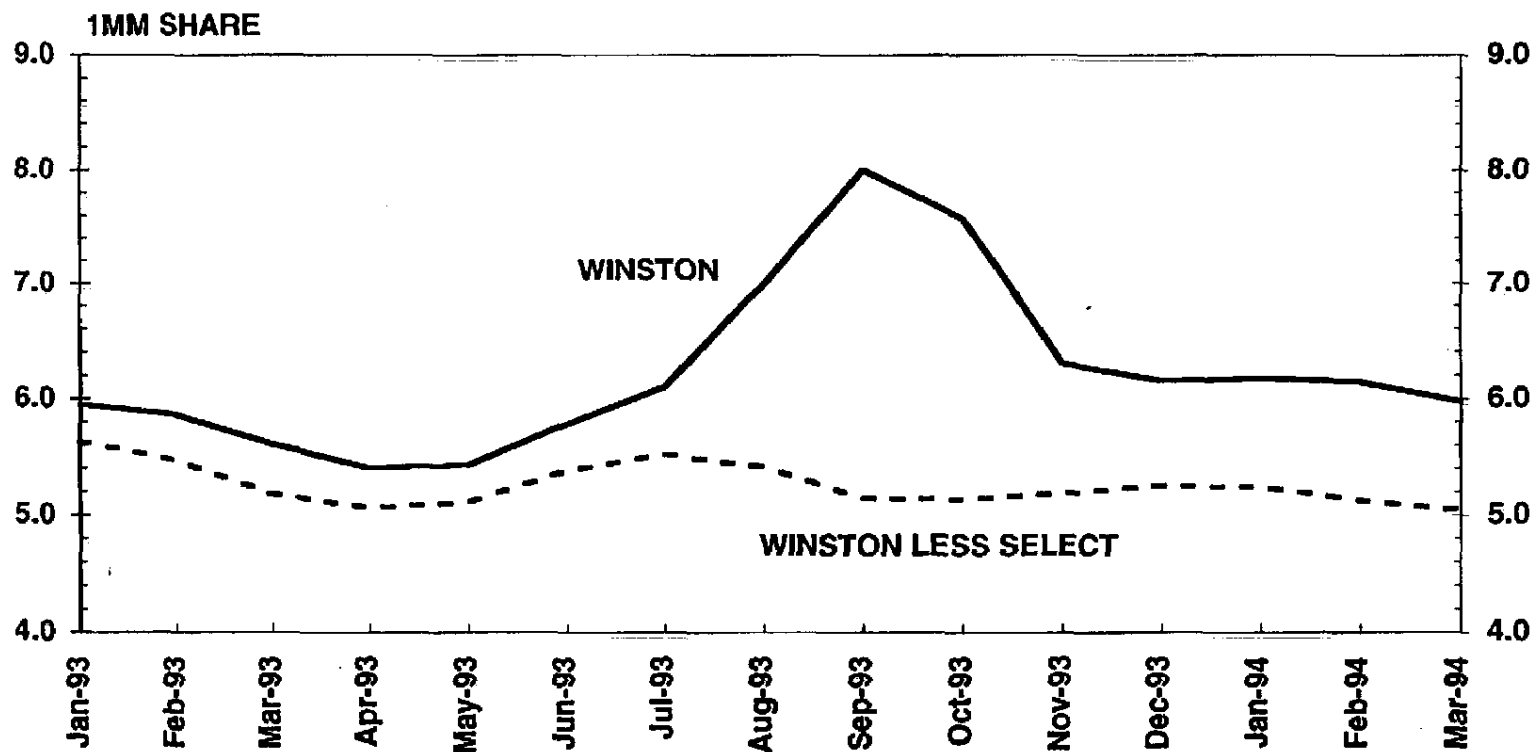
SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 5

WINSTON'S SHARE DECLINED -0.2 POINTS VERSUS MONTH-AGO TO 6.0%, ITS LOWEST LEVEL SINCE JUNE 1993.

WINSTON MONTHLY CONSUMER SHARE



SOURCE: MONTHLY INTEGRATED NIELSEN

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Int Niel Book Mthly Chart 7